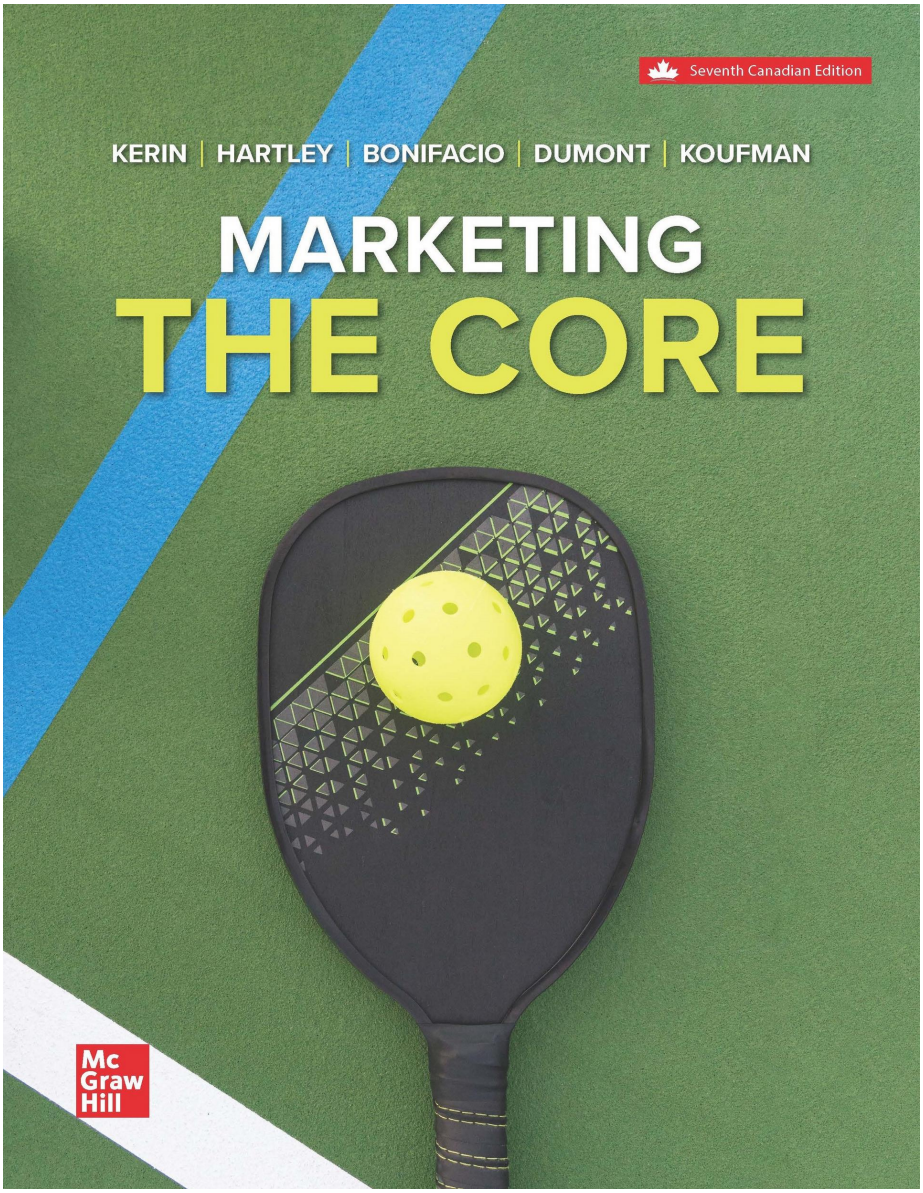
Seventh Canadian Edition

KERIN | HARTLEY | BONIFACIO | DUMONT | KOUFMAN

MARKETING THE CORE



Mc Graw Hill


Seventh Canadian Edition
KERIN | HARTLEY | BONIFACIO | DUMONT | KOUFMAN
MARKETING
THE CORE
Mc
Graw
Hill

MARKETING
THE CORE

Seventh Canadian Edition

ROGER A. KERIN
Southern Methodist University

STEVEN W. HARTLEY
University of Denver

ARSENIO BONIFACIO
University of Guelph

DONNA DUMONT
Mount Royal University

SHELDON KOUFMAN
Durham College

With contributions by

STEPHANIE KOONAR
Langara College


Mc
Graw
Hill



Published by McGraw Hill

145 King Street West, Suite 1501

Toronto, Ontario, Canada, M5H 1J8

Telephone: 1-800-565-5758

Website: **www.mheducation.ca**

Marketing: The Core, Seventh Canadian Edition

Roger A. Kerin, Steven W. Hartley, Arsenio Bonifacio, Donna Dumont, Sheldon Koufman, Stephanie Koonar

ISBN-13: 978-1-26-483927-8

ISBN-10: 1-26-483927-8

Library of Congress Cataloguing in Publication Data

The Library of Congress data for this book has been applied for from the Library of Congress.

1 2 3 4 5 6 7 8 9 10 TCP 30 29 28 27 26 25 24

Printed and bound in Canada.

VP, Product and Production, Canada: Rhondda McNabb

Portfolio Manager: Jade Fair

Senior Marketing Manager: Emily Park

Content Development Manager: Amy Rydzanicz

Portfolio Associate: Tracey Hanson

Senior Supervising Editor: Janie Deneau

Photo/Permissions Editor: Monika Schurmann

Copy Editor: Judy Sturrup

Production Coordinator: Sarah Fraser

Production Supervisor: Jason Stubner

Cover Design: MPS Limited

Interior Design: Lightbox Visual Communications Inc.

Cover Image: Marcia Straub/Moment/Getty Images

Page Layout: MPS Limited

Printer: Transcontinental Printing

Marketing: The Core, 9e © 2022 by McGraw Hill.

Adaptation Copyright © 2024 by McGraw-Hill Ryerson Limited.

In the case of photocopying or other reprographic copying, seek a licence from The Canadian Copyright Licensing Agency (Access Copyright). For an Access Copyright licence, visit **www.accesscopyright.ca** or call toll-free to 1-800-893-5777.

Published by arrangement with McGraw Hill LLC

ALL RIGHTS RESERVED. NO PART OF THIS BOOK MAY BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING OR BY INFORMATION STORAGE AND RETRIEVAL SYSTEMS, WITHOUT PERMISSION IN WRITING FROM MCGRAW HILL.

Fictitious names of companies, products, people, characters and/or data that may be used herein (in case studies or in examples) are not intended to represent any real individual, company, product or event.

ISBN-13: 978-1-26-483927-8

ISBN-10: 1-26-483927-8

eISBN-10: 1-26-576499-9

© 2024. Exclusive rights by McGraw Hill for manufacture and export. This book cannot be re-exported from the country to which it is sold by McGraw Hill.

Author Profiles

Roger A. Kerin is the Harold C. Simmons Distinguished Professor of Marketing at the Edwin L. Cox School of Business, Southern Methodist University in Dallas, Texas. Professor Kerin holds a B.A. (magna cum laude), M.B.A., and Ph.D. from the University of Minnesota. His teaching and research interests lie in marketing planning and strategy, product management, and financial aspects of marketing. Professor Kerin is a frequent participant in executive development programs and is also an active consultant on matters of marketing planning and strategy. Professor Kerin has published and authored several texts and many articles on marketing. He also serves on numerous journal editorial review boards and is currently a member of the Board of Governors of the Academy of Marketing Science.

Steven W. Hartley is Professor of Marketing in the Daniels College of Business at the University of Denver. He holds a bachelor's degree in mechanical engineering, an M.B.A., and a Ph.D. from the University of Minnesota. Dr. Hartley was formerly the chair of the Department of Marketing at the University of Denver and has taught at the University of Colorado, the University of Minnesota, and in several executive development programs. His teaching interests include principles of marketing, marketing research, and marketing planning. Dr. Hartley's research has appeared in many leading marketing publications. He is an active consultant to several prominent U.S. corporations and is active in many professional organizations, including the American Marketing Association, the Academy of Marketing Science, and the Marketing Educators' Association.

Arsenio Bonifacio teaches marketing in the Gordon S. Lang School of Business at the University of Guelph. He applies over 20 years of experience as a marketing executive to the classroom. Arsenio holds an M.B.A. from Wilfrid Laurier University, a B.Sc. from McMaster University, and an Adult Education Certificate from Sheridan College. His career in marketing involved leading teams and initiatives in Canada, the United States, and the United Kingdom. Aside from teaching, Arsenio is a senior executive at one of Ontario's largest credit unions and is responsible for the organization's social responsibility, community impact, corporate communications, and marketing.

Donna Dumont is an Associate Professor at Mount Royal University and a previous chair of the Marketing, Entrepreneurship and Social Innovation Department in the Faculty of Business and Communication Studies. Donna Dumont obtained her Bachelor of Commerce Degree from the University of Alberta in Edmonton and her Masters of Business Administration from the University of Calgary. Donna has taught both introductory and senior marketing, sales, and entrepreneurial courses in the Bissett School of Business since 1997. Donna has a wide range of sales and marketing experience, including 11 years of work experience in the food industry. She held a variety of marketing and sales positions for Campbell's Soup Company, Kraft General Foods, and Pillsbury Canada Ltd.

Sheldon Koufman is a Professor of Marketing and Program Coordinator of the Sports Management Programs at Durham College. Sheldon holds a Masters of Science in Marketing from Queen's Smith School of Business, a Masters of Business Administration from York's Schulich School of Business, and a Bachelor of Business Administration from the Lazaridis School of Business and Economics at Wilfrid Laurier University. Sheldon's marketing experience focuses on retail marketing in the telecommunications industry. He is also the co-author of *Retailing Management*, Seventh Canadian Edition by Levy et.al.

Stephanie Koonar teaches marketing in the Langara School of Management at Langara College. Recently named one of the Top 10 PR, Marketing and Communications Instructors in Canada 2022 by Marketing News Canada, she teaches undergraduate and post-degree diploma marketing courses. She is a marketing professional with work experience in Marketing Management, Market Research, and Experiential Marketing. She obtained both her Bachelor of Arts Degree in Psychology and her M.B.A. from McMaster University. In addition to teaching, Stephanie is a Gallup-Certified

Strengths Coach, Co-founder of PeerSpectives Consulting, a team building and personal development company, and the author of *Backpack to Briefcase, A Student's Guide to a Meaningful Career Journey*.

Brief Contents

Preface

PART 1 Understanding Marketing

Chapter 1 Marketing Fundamentals
Chapter 2 The Marketing Environment

PART 2 Understanding Markets and Their Behaviour

Chapter 3 Customer Behaviour
Chapter 4 Market Research
Chapter 5 Marketing to Organizations
Chapter 6 Segmentation, Targeting, and Positioning

PART 3 Designing Marketing Strategies and Marketing Mix Elements

Chapter 7 Products and Brands
Chapter 8 New Product Development
Chapter 9 Pricing
Chapter 10 Marketing Channels and Supply Chains
Chapter 11 Retailing and Wholesaling

PART 4 Focusing on New and Evolving Areas

Chapter 12 Integrated Marketing Communications—The Mix, Trends, and Industry
Chapter 13 Integrated Marketing Communications—Promotional Tools
Chapter 14 Customer Relationship Management

PART 5 Putting It All Together

Chapter 15 Strategic Marketing Planning

Appendix A Building an Effective Marketing Plan

Glossary
Chapter Sources
Chapter Notes
Name Index
Company/Product Index
Subject Index

Contents

Preface

Part 1 Understanding Marketing

Chapter 1 Marketing Fundamentals



What Is Marketing?

Marketing and Your Career

The Role of Marketing

Focusing on Consumer Needs and Wants

Creating Customer Value

Appealing to Target Markets

Coordinating the Marketing Mix

The Marketing Process

What Can Be Marketed?

Marketing Matters: Marketing the "Mo"

What Is a Market?

The Evolution of Business Philosophies

Marketing Matters: Benevity—Making CSR the Brand!

New and Evolving Marketing Practices

Digital Marketing

Augmented Reality

Experiential Marketing

Influencer Marketing

Partnership Marketing

Metrics and Analytics

Marketing Regulations and Ethical Considerations

Making Responsible Decisions: The Ethics of Greenwashing

Marketing Careers

Chapter 2 The Marketing Environment



The Marketing Environment

Situation (SWOT) Analysis

An Environmental Scan

Social Forces

Marketing Matters: Ukrainian Consumers in Canada

Economic Forces

Technological Forces

Competitive Forces

Regulatory Forces

Making Responsible Decisions: The Little Black Book of Scams

Steps in an Environmental Scan

Part 2 Understanding Markets and Their Behaviour

Chapter 3 Customer Behaviour



Customer Purchase Decision Process

Problem Recognition: Perceiving a Need

Information Search: Seeking Value

Evaluation of Alternatives: Assessing Value

Marketing Matters: The Resilient Customer

Purchase Decision: Buying Value

Post-purchase Behaviour: Value in Consumption or Use

Involvement and Problem-Solving Variations

Customer Purchase Decision Process Influencers
Situational Influences on Customer Decisions
Psychological Influences on Customer Behaviour
Motivation and Personality
Perception
Learning
Values, Beliefs, and Attitudes
Lifestyle
Socio-cultural Influences on Customer Behaviour
Personal Influence
Making Responsible Decisions: What Defines Wealth?
Reference Groups
Family Influence
Culture and Subculture
Global Cultural Diversity

Chapter 4 Market Research



The Role of Marketing Research
What Is Marketing Research?
The Challenges in Doing Good Marketing Research
The Five-Step Market Research Approach

Step 1: Define the Problem/Issue/Opportunity
Set the Research Objectives
Identify Possible Marketing Actions
Step 2: Develop the Research Plan
Specify Constraints
Identify Data Needed for Marketing Actions
Determine How to Collect Data
Step 3: Collect Relevant Information
Secondary Data
Marketing Matters: Online Databases and Internet Resources Useful to Marketers
Advantages and Disadvantages of Secondary Data

Primary Data: Watching People

Primary Data: Asking People

Primary Data: Other Sources

Advantages and Disadvantages of Primary Data

Step 4: Develop Findings

Analyze the Data

Data Mining and Predictive Modelling

Making Responsible Decisions: No More Personal Secrets: The Downside of Data Mining and Predictive Modelling

Analytics

Metrics

Present the Findings

Step 5: Take Marketing Actions

Make Action Recommendations

Implement the Action Recommendations

Evaluate the Results

The Future of Market Research

Sales Forecasting Techniques

Judgments of the Decision-Maker

Surveys of Knowledgeable Groups

Statistical Methods

Chapter 5 Marketing to Organizations



The Nature and Size of Organizational Markets

Industrial Markets

Reseller Markets

Government Markets

Non-profit Organizations

Measuring Industrial, Reseller, Government, and Non-profit Markets

Content Marketing

Characteristics of Organizational Buying

Derived Demand

Inelastic Demand

Fluctuating Demand

Size of the Order or Purchase

Number of Potential Buyers

Organizational Buying Objectives

Organizational Buying Criteria

Fear in Organizational Buying Behaviour

Buyer–Seller Relationships and Supply Partnerships

Making Responsible Decisions: Beneficial Corporations

The Organizational Buying Process and the Buying Centre

Stages in the Organizational Buying Process

The Buying Centre: A Cross-Functional Group

B2B Market Segmentation

Type of Customer

Size of Customer

Type of Buying Situation

Customer Location

Benefits Sought

Online Buying in Organizational Markets

Prominence of Online Buying in Organizational Markets

E-marketplaces: Virtual Organizational Markets

E-marketplaces: Global Ecommerce

Marketing Matters: Marketing Mishaps in the Global Economy

Online Auctions in Organizational Markets

Chapter 6 Segmentation, Targeting, and Positioning





Segmentation, Targeting, and Positioning

Market Segmentation

Forms of Market Segmentation

Target Market Profiles and Personas

Segmentation Variables in Consumer Markets

Personas

Segmentation Analytics

Marketing Matters: What is Pickleball and Why Do People Love It?
Steps in Market Segmentation
Positioning
Repositioning
Marketing Matters: Not Your Parents' Financial Services—Questrade
Positioning Maps

Part 3 Designing Marketing Strategies and Marketing Mix Elements

Chapter 7 Products and Brands



Types of Products
The Uniqueness of Services
Product Elements
The Total Product Concept
Packaging and Labelling
Marketing Matters: Packaging the Brand
Product Lines and Product Mixes
Consumer and Business Products
Consumer Products
Business Products
Branding
Brand Strategies
Protecting Brands—Patents, Copyright, and Trademarks
Making Responsible Decisions: #Protectyourbrand
Brand Loyalty
Brand Personality
Brand Names
Types of Brands

Chapter 8 New Product Development



The Product Life Cycle

Introduction Stage

Growth Stage

Maturity Stage

Decline Stage

Length of the Product Life Cycle

Shape of the Product Life Cycle

Product Life Cycle Strategies

Modifying the Product

Modifying the Market

Marketing Matters: Knix Underwear

Repositioning a Product

Introducing a New Product

New Products

Types of New Products

The Adoption Curve

Marketing Matters: Stripe Climate Helps Companies Remove Carbon from the Atmosphere

New Product Development

Approaches to New Product Development

The New Product Development Process

Chapter 9 Pricing



Nature and Importance of Price

What Is a Price?

Price as an Indicator of Value

Marketing Matters: Food Inflation Crisis

Price in the Marketing Mix

General Pricing Approaches

Demand-Oriented Approaches

Cost-Oriented Approaches

Profit-Oriented Approaches

Competition-Oriented Approaches

Estimating Demand and Revenue

The Importance of Accurate Forecasting

Fundamentals of Estimating Demand

Fundamentals of Estimating Revenue

Determining Cost, Volume, and Profit Relationships

The Importance of Controlling Costs

Break-Even Analysis

Applications of Break-Even Analysis

Pricing Objectives and Constraints

Identifying Pricing Objectives

Identifying Pricing Constraints

Legal and Ethical Considerations

Making Responsible Decisions: Partnering to Make Food Affordable

Global Pricing Strategy

Setting a Final Price

Step 1: Select an Approximate Price Level

Step 2: Set the List or Quoted Price

Step 3: Make Special Adjustments to the List or Quoted Price

Step 4: Monitor and Adjust Prices

Chapter 10 Marketing Channels and Supply Chains



Nature and Importance of Marketing Channels

What Is a Marketing Channel?
Value Is Created by Intermediaries
Channel Structure and Organization
Marketing Channels for Consumer Goods and Services
Marketing Channels for Business Goods and Services
Digital Marketing Channels
Multiple Channels and Strategic Alliances
Multi-channel Marketing to the Online Consumer
Marketing Matters: Low Supply Puts Pressure on Chains
Global Channel Strategy

Vertical Marketing Systems
Channel Choice and Management
Factors Affecting Channel Choice
Channel Design Considerations
Channel Relationships: Conflict and Co-operation
Logistics and Supply Chain Management
Supply Chains versus Marketing Channels
Sourcing, Assembling, and Delivering a New Car: The Automotive Supply Chain
Supply Chain Management and Marketing Strategy
Making Responsible Decisions: Soft Drinks Lessen Hard Environmental Impact
Reverse Logistics
Key Logistics Functions in a Supply Chain
Transportation
Order Processing
Inventory Management
Warehousing

Chapter 11 Retailing and Wholesaling



The Value of Retailing
Consumer Utilities Offered by Retailing
The Canadian Retail Scene

The Global Retail Picture
Forms of Ownership
Independent Retailer
Corporate Chain
Contractual System
Target Market Selection and Positioning
Selecting a Target Market
Retail Positioning
Shopper Marketing
Retailing Mix
Products and Services
Making Responsible Decisions: Greentailing
Retail Pricing
Physical Location
Communications
Marketing Matters: Living Beyond Books
Non-store Retailing
Automatic Vending and Kiosks
Television Home Shopping
Direct Marketing from a Retailing Perspective
Online Retailing
Mobile Banking and Cashless Future
Why Customers Shop and Buy Online
When and Where Online Customers Shop and Buy
Describing the Online Customer
What Online Customers Buy
Retailer Usage of the Mobile Channel
Wholesaling
Merchant Wholesalers
Agents and Brokers
Manufacturer's Branches and Offices

Part 4 Focusing on New and Evolving Areas

Chapter 12 Integrated Marketing Communications—The Mix, Trends, and Industry



Marketing Communications—Promotion

Developing the Promotional Mix

Integrated Marketing Communications

The Customer Advocacy Funnel

Designing Marketing Communication Programs

Steps in the Marketing Communications Process

The Product Life Cycle

Trends in Marketing Communications

A Changing Landscape

The Marketing Communications Industry

The Media

Marketing Communication Agencies

Media Research Companies

Associations

Regulatory Bodies

Making Responsible Decisions: Advertising Standards in Social Media

Chapter 13 Integrated Marketing Communications—Promotional Tools



Promotional Mix

Advertising

Designing the Advertisement

Advertising Media Choices

Scheduling the Advertising

Product Placement and Branded Entertainment

Marketing Matters: The Evolution of Product Placement

Sales Promotion and Personal Selling

Consumer Promotions

Mobile Sales Promotional Tools

Personal Selling

Public Relations

Public Relations Tools
Direct Response Marketing
Event Marketing and Sponsorship
Digital Marketing Communication
Online Marketing Tools
Marketing Matters: Canadian Influencers
The Social Media Landscape
What Are Social Media?

Why and How Social Media Transformed Marketing Communications
Comparing Social Media with Traditional Media
Social Media Marketing
Marketing Matters: Spotify Wrapped Campaign Continues to Go Viral
Social Media Marketing Networks and Tools
Social Media Networks in Canada
Best Practices in Social Media Marketing
Creating and Measuring Social Media Marketing Programs
Best Practices
The Mobile Marketing Landscape
The Mobile Market
Mobile Devices
Consumers and Mobile Devices
Mobile Marketing Tools
Mobile Web
Mobile Applications (Apps)
Mobile Marketing Regulations and Best Practices
Mobile Marketing Regulations
Mobile Marketing Best Practices

Chapter 14 Customer Relationship Management



Customer Relationship Management (CRM)

Customer Satisfaction

Customer Experience Management

Marketing Matters: Made to Order

Cultural Changes

CRM at Four Seasons Hotels and Resorts

CRM at WestJet

CRM at TD Canada Trust

Social Media and CRM

Tourism and Social Media

Credibility Issues of Social Media

Customer Acquisition and Retention

Making Responsible Decisions: Sustainable Sales

Loyalty Programs

Privacy

Database Marketing

Data Mining

Customer Lifetime Value

CRM and Customer Reacquisition

Retaining Marginal Customers

Part 5 Putting It All Together

Chapter 15 Strategic Marketing Planning



Organizational Structure and Strategy

Kinds of Organizations

Marketing and the Three Organizational Levels

Strategy Issues in Organizations

Making Reponsible Decisions: To "B" or not to "B"

Tracking Strategic Performance

Setting Strategic Direction

A Look Around: Where Are We Now?

Marketing Matters: The Power of Dove

Growth Strategies: Where Do We Want to Go?

The Strategic Marketing Process

The Planning Phase of the Marketing Plan
The Implementation Phase of the Marketing Plan
The Evaluation Phase of the Marketing Plan

Appendix A Building an Effective Marketing Plan

Glossary
Chapter Sources
Chapter Notes
Name Index
Company/Product Index
Subject Index

Preface

Welcome to the exciting and dynamic field of marketing! Driven by technological change, and changing consumer demands this fast-paced environment continues to quickly evolve, challenging marketers to stay informed and knowledgeable about new marketing approaches, regulations, and ideas. Enhanced digital approaches, especially, continue to advance social media marketing, mobile marketing, and customer relationship management programs, as well as in other Internet marketing pathways that may be integrated into offline or online marketing practices.

Real-time marketing and content marketing approaches are used in increasingly creative ways to reach consumers, businesses, and organizations. Conventional marketing approaches reach target markets, and new regulations ensure a smooth transition into this new marketing reality. In all instances, marketing messages compete in a sea of information that floods people's daily lives and challenges marketing programs to be noticed, relevant, and engaging. This marketing reality uses metrics to monitor and measure marketing performance, and analytics to reveal insights and areas of improvement.

The seventh Canadian edition of *Marketing: The Core* reflects this new marketing reality with its standard features as well as new elements and content that are designed to engage. There is an expanded focus on digital marketing channels in a chapter called "Integrated Marketing Communications," as well as a focus on financial fluency that has been incorporated into the chapters on pricing and strategic planning in a way that students can understand. Each chapter is boosted by new content, examples, and features to ensure the text reflects the very latest online and offline marketing approaches in Canada. There are also articles that focus on the recent marketing issues that involve strategy, and social responsibility.

The seventh Canadian edition of *Marketing: The Core* returns with its popular magazine-style format that engages with its visual appeal, direct writing style, sound pedagogical features, and fresh new content. Chapter elements include *Chapter Features* and *Chapter Outlines*, which open each chapter, flagging interesting topics and helping students navigate chapter content. Pedagogical elements include critical-thinking *end-of-chapter* features that help apply and bring the material to life. These elements are in addition to the highly rated chapter-opening vignettes, as well as marketing stories that are all new or updated and interspersed throughout each chapter.

The seventh Canadian edition of *Marketing: The Core* is designed so that students enjoy learning about marketing. It is current. It is real. It reflects marketing in Canada.

Text Organization and Content

Marketing: The Core, Seventh Canadian Edition, is divided into five parts:

Part 1, "Understanding Marketing," looks first at what marketing is and how it creates customer value and customer relationships (**Chapter 1**). **Chapter 2** analyzes the major environmental factors in our changing marketing environment.

Part 2, "Understanding Markets and Their Behaviour," first describes, in **Chapter 3**, how individual consumers reach buying decisions. **Chapter 4** examines the marketing research, and how information about prospective consumers is linked to marketing strategy and decisions. **Chapter 5** looks at industrial and organizational buyers and how they make purchase decisions. The process of segmenting and targeting markets and positioning products appears in **Chapter 6**.

Part 3, “Designing Marketing Strategies and Marketing Mix Elements,” covers the four Ps of marketing: product, price, place, and promotion. The product element is divided into two chapters. Chapter 7 looks at the way existing products, services, and brands are managed. Chapter 8 discusses the development of new products and the product life cycle. Pricing is discussed, focusing on the way organizations set prices (Chapter 9). Two chapters address the place aspects of marketing: “Marketing Channels and Supply Chains” (Chapter 10) and “Retailing and Wholesaling” (Chapter 11).

Part 4, “Focusing on New and Evolving Areas,” includes revised chapters covering the integrated marketing communications (IMC) industry and trends (Chapter 12) and how to leverage different IMC tools to meet organizational objectives (Chapter 13). Chapter 14, “Customer Relationship Management,” takes a deeper look into technological innovations that are improving how companies meet consumer needs and grow consumer experience.

Part 5, “Putting It All Together,” provides an overview of the strategic marketing planning process that occurs in an organization (Chapter 15) and includes a marketing plan example of the company featured in the vignette Appendix A.

What’s New? *Marketing: The Core*

The seventh Canadian edition of *Marketing: The Core* builds on the strengths of the previous editions, adding new and exciting elements that make the material even more interactive and engaging. Our authors go to extreme lengths to interview respected Canadian marketers so that content is fresh and accurately reflects current marketing practices. The authors also turn to the teaching environment so that each chapter includes solid pedagogical features that help students learn and faculty teach. The freshness of this new edition is reflected in the following:

- **Enhanced magazine-style format:** The popular magazine-style format returns with its fresh visual appeal, direct writing style, and active-learning techniques that challenge students to understand and enjoy learning about marketing. Many features are included to enhance learning, as noted below.
- **Chapter features and outlines:** Each chapter opens with these elements to highlight newsy features within the chapter and create a path that guides readers through the chapter and its content.
- **New chapter-opening vignettes:** The popular chapter-opening vignettes return with new content that provides a glimpse into real marketing situations, with advice from senior business professionals in Canada. The discussions centre on many exciting growing organizations including Durrell Communications and Blue Sea Foundation, as well as many other stellar brands and companies.
- **New Marketing Matters and Making Responsible Decisions boxes:** Rebranded from the Marketing NewsFlash and Focus on Ethics boxes, these popular features return with new and updated content, meticulously researched to provide perspective on the latest marketing approaches. Examples are the resilience of the Canadian consumer, Benefit Corporations, Salesforce's corporate social responsibility, and Indigo.
- **New Marketing YOU end-of-chapter features** make the connection between the steps marketing managers go through to launch a new product or service and the way that students will launch themselves into the world of work. These career-readiness activities aim to help students understand the value they bring and how to market themselves as they begin their meaningful career journey.
- **Sections on metrics, analytics, and big data:** Marketing requires students to understand the metrics and analytics used by the industry. Sections in the text explain this topic and discuss the issues surrounding big data.

- **Updated sections on forecasting, budgeting, financial analysis, and profit-and-loss statements:** Marketers are involved in forecasting and budgeting, and use financial analyses and profit-and-loss statements to evaluate programs and brand success. These areas are enhanced in the seventh Canadian edition through discussions in the pricing chapter (**Chapter 9**) and the strategic planning chapter (**Chapter 15**).
- **Updated marketing plan appendix:** A marketing plan example and template has been built into the text. This hypothetical plan was developed in collaboration with Andre Samuels and Cory Snyder of SeeWhy Learning to ensure that it reflects current marketing planning approaches in their industry.

Chapter-Specific Additions

In addition to an updated narrative for each chapter, and new and updated opening vignettes, Marketing Matters and Making Responsible Decisions boxes, and databoxes, the following topics have been enhanced:

Chapter 1: Marketing Fundamentals

- The increased importance of corporate social responsibility
- Evolving marketing process exemplars
- Marketing regulations and ethical considerations

Chapter 2: The Marketing Environment

- Generational, ethnic, and language diversity in the modern Canadian context
- Canadians' use of technology
- The changing household composition
- Real-world example of the steps in a marketing environment scan

Chapter 3: Consumer Behaviour

- Learning from buyer journeys
- Consumer resilience
- The definition of wealth

Chapter 4: Market Research

- How loyalty program data informs marketing strategy
- Data analytics, data mining and predictive analytics, social listening, and panels are now incorporated into the marketing research process
- Continuous monitoring of the environment based on technology

Chapter 5: Marketing to Organizations

- Communicating the value of communication
- Beneficial corporations
- World's biggest companies

Chapter 6: Segmentation, Targeting, and Positioning

- Personas utilized in marketing
- Segmentation analytics
- A quiz and exercise to determine your social values segment

Chapter 7: Products and Brands

- Updated Interbrand's *Best Global Brands* study
- New details regarding product mix width, product line length, and product line depth
- Packaging trends and sustainability

Chapter 8: New Product Development

- Electric vehicles in the Canadian market
- Successful new Canadian product launches—Knix
- Sustainability in new product development

Chapter 9: Pricing

- The food inflation crisis
- Disrupting industries through pricing and convenience

Chapter 10: Marketing Channels and Supply Chains

- Marketing channels for not-for-profit organizations
- Omnichannel marketing

Chapter 11: Retailing and Wholesaling

- The manufacturer's perspective
- Traditional and non-retail segments
- Retailers evolving with changing consumer preferences

Chapter 12: Integrated Marketing Communications—The Mix, Trends, and Industry

- The future of IMC—integrating digital and traditional tactics to meet your communication objectives
- The changing landscape of consumer media usage and its impact on promotional strategies
- IMC Industry—the industry stakeholders that help deliver IMC campaigns

Chapter 13: Integrated Marketing Communications—Promotional Tools

- The strengths and weaknesses of the expanded promotional mix—integrating digital and traditional tactics
- Advertising tools—it is not just TV, newspapers, and billboards anymore
- The impact of streaming TV shows and movies on advertising
- Canadian influencers galore—a focus on hairstyle and Indigenous fashion
- How products go viral using social media marketing

Chapter 14: Customer Relationship Management

- Highlighting the roles of intermediaries in customer relationship management
- Engaging consumers through CRM tools
- Businesses influencing other businesses

Chapter 15: Strategic Marketing Planning

This chapter on strategic marketing planning has been placed at the end of the text so that students can gain a greater understanding of marketing before embarking on this more complex topic. The following new content has been included:

- Using brands for social good
- Revisiting the success of an organization's marketing plans
- Canada's largest companies

Reflecting the Diverse World Around Us

McGraw Hill believes in unlocking the potential of every learner at every stage of life. To accomplish that, we are dedicated to creating products that reflect, and are accessible to, all the diverse, global customers we serve. Within McGraw Hill, we foster a culture of belonging, and we work with partners who share our commitment to equity, inclusion, and diversity in all forms. For McGraw Hill Canada, this includes, but is not limited to, the following:

- Refreshing and implementing inclusive content guidelines around topics including generalizations and stereotypes, gender, abilities/disabilities, race/ethnicity, sexual orientation, diversity of names, and age.

- Enhancing best practices in assessment creation to eliminate cultural, cognitive, and affective bias.
- Maintaining and continually updating a robust photo library of diverse images that reflect our student populations.
- Including more diverse voices in the development and review of our content.
- Strengthening art guidelines to improve accessibility by ensuring that meaningful text and images are distinguishable and perceivable by users with limited colour vision and moderately low vision.

A Student's Guide to *Marketing: The Core*

Marketing: The Core offers an array of features to help readers learn and apply marketing concepts.

Each chapter opens with a **vignette** on a Canadian marketing situation or program, featuring current facts, real approaches, and tangible examples from interviews with marketers in Canada. **Chapter Features** and **Chapter Outlines** give an overview of the key features and provide an outline of each chapter. Clear and precise **Learning Objectives** help students preview chapter content and study effectively. **Reality Check** questions appear at the end of each vignette.

PART 1
UNDERSTANDING MARKETING

Chapter 1
Marketing Fundamentals



Copyright © 2021, Hush Blankets

LEARNING OBJECTIVES

- LO 1 Explain the role of marketing in an organization and the importance of meeting customer needs
- LO 2 Define and analyze elements of the marketing mix
- LO 3 Outline the steps in the marketing process
- LO 4 Differentiate between goods, services, and ideas
- LO 5 Describe the evolution of different business philosophies
- LO 6 Describe new and evolving marketing practices
- LO 7 Summarize careers that exist in marketing

CHAPTER OUTLINE

- Hush
- The role of marketing
- The marketing process
- The marketing mix
- The evolution of business philosophies
- New and evolving marketing practices
- Marketing careers

CHAPTER FEATURES

Marketing the "Mo"

The Movember Foundation keeps its message current and relevant.

Benevity—Making CSR the Brand!

Benevity integrates Corporate Social Responsibility into its brand.

The Ethics of Greenwashing

Green falsehoods lead to red reality.

Marketing centres on understanding customers—how they think, what drives purchases, how purchases are made, where purchases are made, and many other factors. Marketers need to be knowledgeable about the technological changes that impact the path to purchase and understand what new communication options are surfacing. They also need to have insights into new marketing trends and the ways customers interact with brands and with companies.

This chapter begins with an introduction to the fundamentals of marketing and an explanation of the building blocks and concepts used by marketers to reach customers. It also touches on evolving areas to ensure that new approaches are top of mind with readers. We examine Hush, a Canadian company focused on helping consumers improve their nights of sleep.

Lifetime friends Lior Ohayon and Aaron Spivak founded Hush in 2017. Their personal experiences working in nutrition and wellness as well as with special needs children in summer camps allowed them to realize the benefits of weighted blankets.[1] Weighted blankets range from five to 30 pounds. Their weight places pressure on the body and alleviates anxiety and stress. This ultimately helps users have a good night's sleep.[2]

In 2019, Ohayon and Spivak appeared on *Dragons' Den*—a business pitch TV program airing on CBC. They demoed their weighted blanket with zipper tech, giving consumers the ability to safely wash their blankets, and their Ice Blankets, developed to help hot sleepers stay cool. After receiving offers from all six Dragons, the founders accepted an offer of $400,000 for 8 percent of their company from Jim Treliving and Laine Merrifield.[3]

Part of the founders' pitch included their GiveBack blanket donation program, where one blanket is donated for every five kid's weighted blankets sold and one is also donated for every ten adult blankets sold. This support for the community helps kids with special needs and terminal illnesses, and adults with disabilities or in homeless shelters.[4]

Hush designed its products with consumers in mind. Based on direct feedback, in 2017 Ohayon and Spivak designed a blanket that could replace a duvet—the blankets looked good when used and covered the sides of the mattress. This was a stark shift from other weighted blankets in the market that sat on top of the mattress but still showed its sides. By summer 2018, however, sales had fallen. The founders once again reached out to consumers and learned that they did not want a weighted blanket in the summer since it was too hot. This sparked the idea of developing the Ice Blanket weighted blanket that keeps consumers cool in the summer. All this research and development was funded by a Kickstarter campaign that raised over $1.3 million.[5]

Ohayon and Spivak are problem solvers who help their consumers reach their functional and aspirational goals. Although their promotional activities are mostly digital and include young and robust individuals, Hush's actual consumers are mainly between the ages of 33 and 55. They want to feel young and hip and/or are looking to solve a functional concern they have such as anxiety, insomnia, stress, or a sleep disorder.[6]

Without any of their own physical retail locations, Hush has relied on digital selling tactics on their website. They consistently have a sales promotion that incents customers to purchase, and they create customer urgency by having many gift-with-purchase incentives, such as free slippers or a weighted throw. As of 2022, Hush was retailed in over 500 brick-and-mortar locations in Canada and the United States.[7]

More recently, Hush moved outside of the digital realm and onto billboards and to sponsorships with sports organizations. As part of the launch of their French Canadian website, Hush became the official weighted blanket of the Montreal Canadiens. This partnership allowed for the Hush website to be displayed in the Bell Centre right behind the goalie.[8]



Hush Blankets is starting to move from solely digital marketing to other forms.
Francois Lacasse/NHLI via Getty Images

With an expanded product line that includes bed sheets, mattresses, pillows, robes, and eye masks,[9] Hush was purchased by Sleep Country Canada in 2021 for $25 million for 52 percent of the company. With the founders sticking around, the next few years should see expanded product lines, Hush pop-up shops, and their consumers having better sleep for years to come![10]

***reality* CHECK**

As you read Chapter 1, refer to the Hush vignette to answer the following questions:

- Describe the target market for Hush. As the company grows, should the target market change?
- How does Hush differentiate itself from the competition?
- What marketing tools does Hush use to create relationships with its customers?

Real metrics are used to emphasize points within the text through standalone data boxes that bring attention to the importance of metrics in marketing. **Data boxes** present tangible facts and numerical examples of elements discussed in the text, and serve as important examples of how metrics are used by the industry.



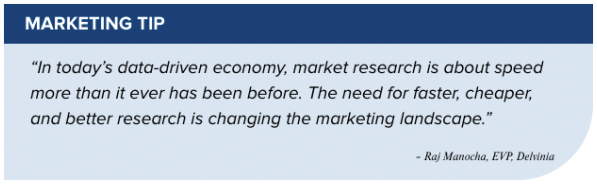
Banking On Customer Satisfaction

J.D. Power creates a customer satisfaction index ranking based on a 1,000-point scale. The Top 3 big banks are ranked as follows:

RBC Royal Bank	629
CIBC	615
BMO Bank of Montreal	610

Source: "Economic Headwinds Erode Canada Bank Customers' Financial Health and Satisfaction, J.D. Power Finds," [news release], October 20, 2022, accessed at www.jdpower.com/business/press-releases/2022-canada-retail-banking-satisfaction-study.

Marketing Tips showcase valuable thoughts from real-world marketers that are relevant to the topics discussed in each chapter.

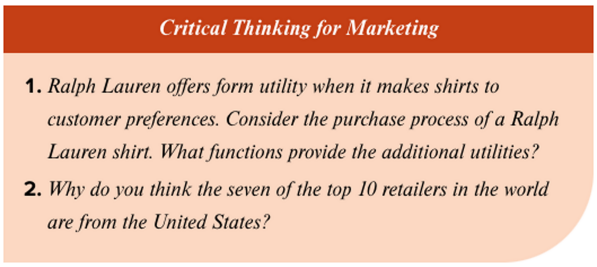


MARKETING TIP

"In today's data-driven economy, market research is about speed more than it ever has been before. The need for faster, cheaper, and better research is changing the marketing landscape."

– Raj Manocha, EVP, Delvinia

Critical Thinking for Marketing checkpoints, found near the end of major sections in each chapter, allow students to test their comprehension of the chapter material before moving on.



Critical Thinking for Marketing

1. *Ralph Lauren offers form utility when it makes shirts to customer preferences. Consider the purchase process of a Ralph Lauren shirt. What functions provide the additional utilities?*
2. *Why do you think the seven of the top 10 retailers in the world are from the United States?*

Marketing Matters boxes provide exciting, current examples of marketing in action, making the material relevant and memorable. **Making Responsible Decisions boxes** focus on current topics of ethical and social concern. Discussion questions at the end of each box encourage students to apply marketing concepts and critically assess marketing situations.

Marketing Matters

What Is Pickleball and Why Do People Love It?[a]

Move over, tennis players: Pickleball people are taking over the courts.

The fact that it's so easy to pick up is a big reason the sport has grown so much in recent years. Pickleball courts are a quarter the size of tennis courts, and since players have to move far less than many sports, the game caught on among retirees. It originated 50 years ago in Seattle, Washington. Snowbirds began taking it back to Canada. Carla Anderson, the executive director of Pickleball Canada, says that it didn't catch on big until the pandemic lockdown in 2020.



©ZUMA Press Inc/Alamy Stock Photo

Often played in mixed doubles on outside courts, pickleball offered a combination of exercise and a social outing during a time when we were all otherwise stuck indoors. A survey commissioned by Pickleball Canada in January 2020 estimated 350,000 people played the sport across Canada. When the organization conducted the same survey two years later, that number had nearly tripled, hitting a million. While once seen as a sport mostly for retirees, pickleball is now seeing the biggest growth in players 18 to 34 years old.

Pickleball is very popular with older adults because it is fast-paced and low-impact, and anyone who has played any racquet sports can quickly catch on. The game is a combination of tennis, badminton, and table tennis played on a badminton-sized court with wooden paddles and hard whiffle balls. There are a few rules to learn, but most people can start playing within minutes of deciding it might be fun. It is fun, and very social as it is almost always played as doubles, and usually people rotate through a bracket, exchanging courts and partners each short match. The director of Pickleball Canada, however, does clarify that "Pickleball is easy to learn, difficult to master."

Pickleball started as a sport for baby boomers, but during COVID-19 it increased in popularity with all ages. The average age of players is 35 years old.

Making Responsible Decisions

To "B" or not to "B"

Many Canadian companies have chosen a strategy that puts social and environmental issues in line with their pursuit of profits. This can be a key differentiator as Canadian consumers are becoming more aware of and accountable for their own sustainable practices. Unfortunately, not all companies are transparent in their green practices, and there have been instances of greenwashing as well as shared sustainable initiatives that are really doing harm rather than good.

Fortunately, there are organizations that provide guidance about good sustainability practices, help companies hold themselves accountable, and even grant certifications to those that are maintaining the highest standards of sustainable impact.

B Lab is a non-profit organization that certifies companies as Certified B Corporations. The "B" stands for *benefit.* Certified B Corporations go beyond creating shareholder value and hold themselves accountable to other stakeholders, including the environment, their employees, and the local community. B Corps are take this commitment seriously, going as far as changing their corporate charter to hold directors and officers accountable to all stakeholders. This legal requirement can create a distinction between a company that has sustainable initiatives to one that is evolving to become a sustainable organization.



Some organizations have decided their strategy is to use business as a force for good.

Gado Images/Alamy Stock Photo

B Corporations were first certified in 2007, and today there are over 6,000 B Corporations in 80-plus countries. Certified B Corporations meet high standards in various stakeholder categories, and have strong employee benefits and philanthropic impact on their communities. Though these organizations tend to be small- and medium-sized businesses, industry leaders like Ben & Jerry's and Patagonia are examples of large organizations leading the sustainability initiative.

Although it has taken over 25 years to reach its current level of awareness, the future of B Lab and similar certification organizations is bright. More and more Canadian consumers, and consumers around the world are holding their brands accountable. People are looking at success beyond profits, and want to work with companies that understand that people and the planet matter just as much as making money.

At the end of each chapter, the **Summary** and list of **Key Terms** help students review the chapter's most important concepts. **Hands On…Apply Your Knowledge** assignments direct students back to the beginning of the chapter to solve a practical marketing scenario. **Chapter Vignette…Activity** challenges students to answer questions that the companies in the vignette will face, which tests their understanding of chapter topics and their ability to apply them.



Summary...just the facts

LO 1 • The role of marketing is to focus on consumer needs and to generate revenue, profits, or support for an organization.

- Successful marketing focuses on customer needs and wants and developing programs that engage consumers and inspire customer loyalty.

LO 2 • The marketing mix, also known as the 4 Ps, consists of product, price, place, and promotion.

- Product refers to all the attributes that make up a good, a service, or an idea. Product elements include areas such as product design, product features, colour, packaging, warranty, and service levels.
- Price refers to what is exchanged for a product, including the expected regular retail or sale price.
- Place is the way in which your product gets to the customer, including the distribution channels, retail formats, and merchandising used to sell a product.
- Promotion refers to the tools needed to communicate with customers about a product, including advertising, public relations, sales promotion, direct response, event marketing, sponsorship, online approaches, and personal selling.

LO 3 • The marketing process follows three main steps: (1) identifying consumer needs, (2) managing the marketing mix to meet consumer needs, and (3) realizing revenues or profits.

LO 4 • A product in marketing can be a good, a service, or an idea. A good is a product you can touch and own. A service is a product that is intangible that you cannot touch. An idea is a concept that typically looks for support.

LO 5 • The evolution of marketing has progressed from a production orientation stage, to a sales orientation stage, to a marketing orientation stage, and finally to a relationship marketing stage.

- Important areas of the relationship marketing stage are customer relationship management (CRM) and corporate social responsibility (CSR).

LO 6 • New and evolving marketing practices have surfaced in the areas of (1) digital marketing, including content marketing, mobile marketing, and social media marketing; (2) augmented reality; (3) experiential marketing; (4) influencer marketing; (5) partnership marketing; (6) metrics and analytics; and (7) new marketing regulations and ethical considerations.

- The Canadian Marketing Association (CMA), the professional body for the marketing industry, responds to legislative issues and sets guidelines on responsible marketing practices.

LO 7 • The starting point to a marketing career is to get an education and, while studying, to create a network of business professionals to contact upon graduation. Careers exist in sales, market research, advertising, promotions, marketing analytics, and brand management.

- The process of getting a job involves the same activities that marketing managers use to develop and introduce products and brands into the marketplace. The only difference is that you are marketing yourself, not a product.

Key Terms and Concepts ...a refresher

analytics
content marketing
corporate social responsibility (CSR)
customer lifetime value
customer relationship management (CRM)
customer value proposition
dashboards
digital marketing
exchange
experiential marketing
good
greenwashing
idea
market
marketing
marketing mix
marketing orientation
marketing orientation
marketing process
metrics
mobile marketing
need
partnership marketing
place
price
product
production orientation
promotion
relationship marketing
sales orientation
service
share of wallet
social media
social media marketing
societal marketing concept
strategic alliance
target market
want

Hands-on... APPLY YOUR KNOWLEDGE

Marketing Mix Assignment Hush has experienced success launching new products and connecting digitally with its customers. Review the opening vignette on Hush and then brainstorm a new marketing mix for a premium line of products designed for a premium customer segment. This could include new forms of content marketing, social media marketing, mobile marketing, and partnership marketing. Outline the new marketing mix under the headings Product, Price, Place, and Promotion.

Chapter Vignette... ACTIVITY

This chapter's opening vignette examines Hush's approach to marketing. Brainstorm in groups the idea of evolving Hush into an internationally recognized brand. What new products would you consider? What means of distribution need to be created? What role would culture play in your decision making? Would CSR be part of your plan?

NEW! **Marketing YOU** end-of-chapter features provide students with activities, and tips and tricks to help them market themselves. The activities help students understand the value they bring, and identify what they are naturally good at, where the job opportunities are, and what they can get paid for.

Marketing YOU

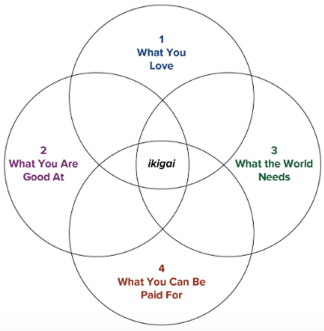
The activities a Marketing Manager engages in to launch a product or service into the world are similar to the activities that successful students engage in when launching themselves into the world of work.

How do you begin Marketing YOU? The path forward may be confusing. Maybe you have decided on a career but are not sure how to get there. You may be dreaming of a career that allows you to use your strengths to make a difference and that will also bring you financial security. How do you move forward? The key is to understand you—and that is something you already know about! With some reflection you can unlock additional self-understanding to guide you on your meaningful career journey.

The ikigai framework is an approach that can help you uncover what is meaningful to you. *Ikigai* (pronounced ee-key-guy) is a Japanese word that comes from the word *iki,* meaning life and the word *kai,* meaning the realization of hopes and expectations. The meaning of these two words together is roughly, a reason for being or a sense of purpose.

The following Venn diagram is one interpretation of how you can uncover your purpose, or ikigai, by answering the questions in each of the four circles in the diagram. Where these four circles intersect could lead you to uncover your reason for being, guiding you as you decide on the next steps in your career journey.

- Circle 1: What You Love
- Circle 2: What You Are Good At
- Circle 3: What the World Needs
- Circle 4: What You Can Be Paid For



Award-Winning Technology

McGraw Hill Connect® is our best-in-class digital teaching and learning solution that saves time and enhances your impact. Connect gives you the tools you need to deliver a personalized course with ease, backed by our support at every step of the way so you can open a world of possibilities for your students.

SmartBook® personalizes learning to individual student needs, continually adapting to pinpoint knowledge gaps and focus learning on concepts requiring additional study. For instructors, SmartBook tracks student progress and provides insights that guide teaching strategies and advanced instruction, for a more dynamic class experience.

Connect's key features also include analytics and reporting, assignment management, smart grading, the opportunity to post your own resources, and the Connect Instructor Library, a repository for additional resources to improve student engagement in and out of the classroom.

Instructor Resources

- The **Test Bank**, includes more than 1,400 multiple-choice, true/false, and short answer questions, each categorized according to learning objective, topic, level of difficulty, level of Bloom's taxonomy, and correct answer.
- The highly rated **Instructors' Manual** returns with lecture notes, video cases, supplementary in-class activities, worksheets, handouts, teaching suggestions, online assignments, metrics assignments, as well as answers to questions that are embedded within each chapter. Answers are provided for questions on opening vignettes, Marketing Matters boxes, Making Responsible Decisions boxes, and Critical Thinking for Marketing checkpoints.
- **Microsoft® PowerPoint® Slides** incorporate text and high-quality images, including figure slides, product shots, and advertisements. As an aid for instructors who wish to create their own presentations, an **Image Library** containing all visual elements from the text is also available.
- A unique series of contemporary marketing **Application Exercises** including **Video Cases** are available. Each video corresponds to chapter-specific topics that are highlighted within the text. Each video is closed-captioned and assignable within Connect with case questions. Fifteen of the videos are accompanied by written cases, questions and answers, handouts, and teaching suggestions within the Instructors' Manual.
- A NEW continuous **Running Case** featuring *Flow*, a cutting-edge Blockchain Technology company, allows students to apply concepts from each chapter in a way that facilitates making important links between concepts.
- A frequently updated **Author Blog**, **Podcast**, and **Video Library** help provide instructors with innovative teaching resources to improve student learning, offer timely marketing examples, and help make class preparation time easier.

Application-Based Activities

The Connect Application-Based Activities are highly interactive and automatically graded application- and analysis-based exercises wherein students immerse themselves in a marketing environment, analyze the situation, and apply their knowledge of marketing strategies. Students progress from understanding basic concepts to assessing and solving complex real-world scenarios.

Practice Marketing—Full Simulation

This 3D marketing simulation enables students to put their marketing skills to the test in a fun and competitive environment. Within the game, students discover what it takes to be an effective marketing manager. Using strategies learned in class, students must successfully launch a new product to market. Within this simulated environment, players must analyze sales results, collect competitive information, and refine their product, price, place and promotional strategies in order to maximize results and become a market leader.

iSeeIt! Videos

These brief, contemporary videos offer dynamic student-centred introductions, illustrations, and animations to guide students through challenging concepts. Ideal for before class as an introduction, during class to launch or clarify a topic, or after class for formative assessment.

Writing Assignments

The Writing Assignment tool delivers a learning experience to help students improve their written communication skills and conceptual understanding. As an instructor you can assign, monitor, grade, and provide feedback on writing more efficiently and effectively.

Test Builder

Available within Connect under the Library tab, Test Builder is a cloud-based tool that enables instructors to format tests that can be printed or administered within a Learning Management System. Test Builder offers a modern, streamlined interface for easy content configuration that matches course needs, without requiring a download.

Test Builder allows you to:

- Access all test bank content from a particular title
- Easily pinpoint the most relevant content through robust filtering options
- Manipulate the order of questions or scramble questions and/or answers
- Pin questions to a specific location within a test
- Determine your preferred treatment of algorithmic questions
- Choose the layout and spacing
- Add instructions and configure default settings

ReadAnywhere App

Read or study when it's convenient with McGraw Hill's free ReadAnywhere® app. Available for iOS and Android smartphones or tablets, ReadAnywhere gives users access to McGraw Hill tools including the eBook and SmartBook® or Adaptive Learning Assignments in McGraw Hill Connect®. Students can take notes, highlight, and complete assignments offline–all their work will sync when connected to Wi-Fi. Students log in with their Connect username and password to start learning–anytime, anywhere!

Polling

Uncover where and when you're needed with the new Polling tool in McGraw Hill Connect®! Polling allows instructors to discover where students are in real time. Engage students and help them create connections with course content while

gaining valuable insight during lectures. Leverage polling data to deliver personalized instruction when and where it is needed most.



Remote Proctoring & Browser-Locking Capabilities

New remote proctoring and browser-locking capabilities, hosted by Proctorio within Connect, provide control of the assessment environment by enabling security options and verifying the identity of the student.

Seamlessly integrated within Connect, these services allow instructors to control students' assessment experience by restricting browser activity, recording students' activity, and verifying students are doing their own work.

Instant and detailed reporting gives instructors an at-a-glance view of potential academic integrity concerns, thereby avoiding personal bias and supporting evidence-based claims.



McGraw Hill Connect is a best-in-class digital teaching and learning solution that empowers students to reach their potential and enables instructors to manage their course more efficiently.

Endorsed by educators. Loved by students.

INSTRUCTORS

Deliver your course

Enhance your teaching style with course management tools that save you time like seamless LMS integration, mobile access to the digital textbook, assignment creation tools and more.

Our trusted, high-quality course materials help students develop higher-level thinking skills while allowing you the flexibility to tailor your course.



Drive student success

Incorporate adaptive study resources like SmartBook into your course and help your students be better prepared in less time. Monitor student progress with critical analytics, data and insights to help guide your teaching and remediation for better outcomes.



Support at every step

We'll partner with you to ensure success every step of the way. From course design and setup to instructor training, LMS integration and ongoing support, your Digital Success Consultant is here to make your course as effective as possible.

STUDENTS



Your ideal study partner

Connect is designed to make you more productive with simple, flexible tools that maximize your study time. With everything you need in one place, Connect makes it easy to read your eBook, complete assignments and stay on track.



Study anytime, anywhere

Download the ReadAnywhere app to access your eBook or SmartBook assignments on the go, online or offline. The app automatically syncs with Connect to ensure you're always up to date.



Learning for everyone

McGraw Hill works directly with your institution's Accessibility Office to meet the learning needs of all students. Reach out to your Accessibility Office or visit **www.mheducation.ca/accessibility** to learn more.

Learn more about Connect at www.mheducation.ca/connect »

Acknowledgements

We appreciate the time, effort, and insight shared by marketing leaders who shared their expertise and knowledge. Their real-world examples make this book real, practical, and a true reflection of marketing in Canada today. This content is spread across chapter-opening vignettes, Marketing Matters and Making Responsible Decisions boxes, and chapter content. It brings the content alive and makes a difference to marketing education in Canada. We specifically thank the following people for their contributions:

Glen Cressman, *Sherpa.McKim*

Melissa Durrell, *Durrell Communications*

Jim Heuving, *Blue Sea Foundation*

Jason Knell, *SeeWhy Learning*

Dennis Kwasnicki, *The Paint Channel*

Paul Paquette, *InXpress Canada*

Sara Rankin, *Canadian Tire*

Andre Samuels, *SeeWhy Learning*

Greg Seelman, *YARDLOCK Corporation*

Cory Snyder, *SeeWhy Learning*

Mathew Stone, *Stone-Olafson*

Don Wepf, *YARDLOCK Corporation*

To all the companies who have provided us with images to include in the book, we thank you.

In addition, we extend our appreciation to the reviewers who've helped steer the development of this book with their comments, feedback, and suggestions.

We extend our sincere appreciation to Stephanie Koonar for her insightful Marketing YOU feature, which has greatly enriched our book regarding career readiness. Stephanie's contributions have been invaluable, and we are truly grateful for her expertise and dedication.

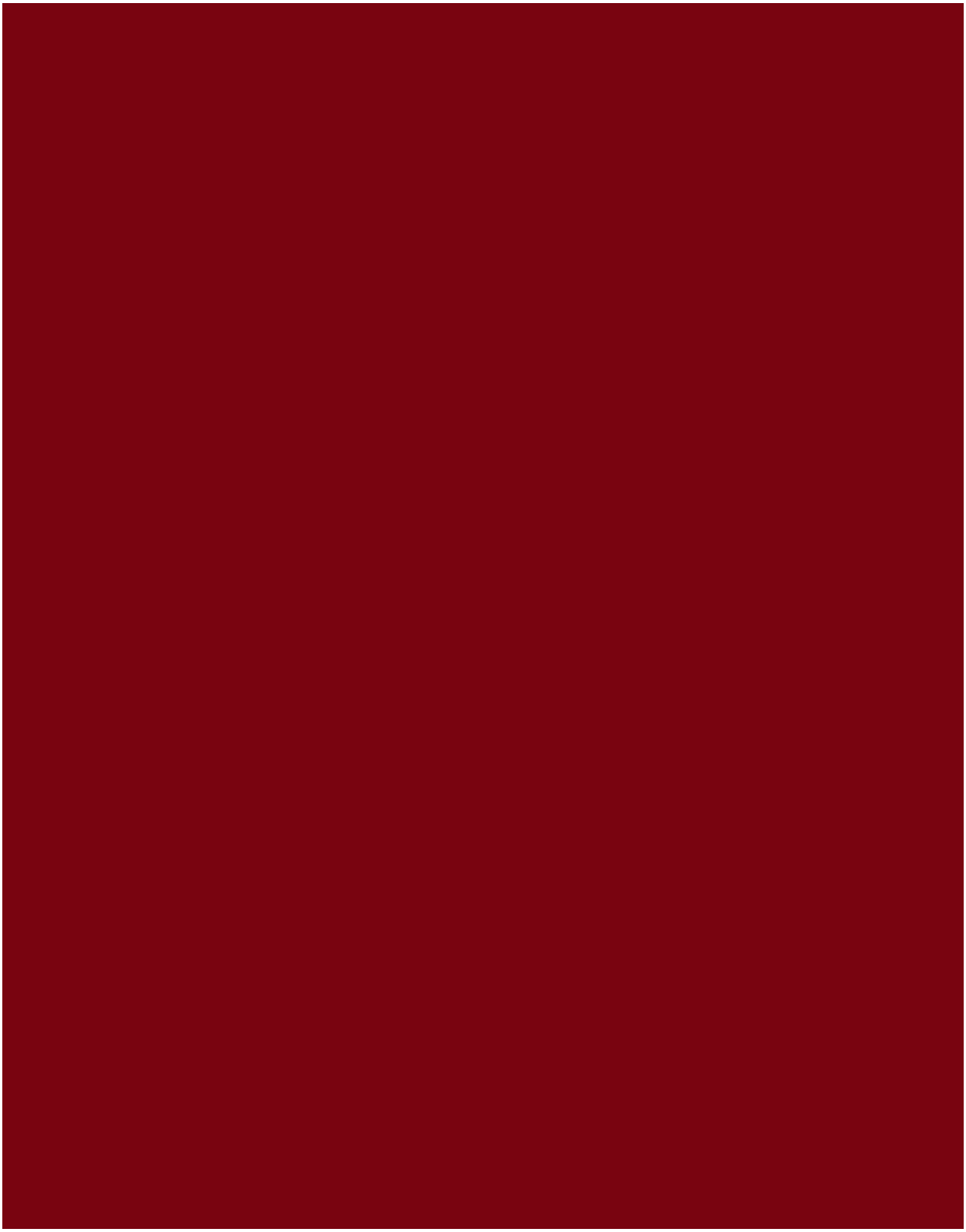
We are indebted to the following individuals who helped adapt, critique, and shape the ancillary package for the Canadian market: Elliott Atkins, *Seneca College*; Julie Gathercole, *Mount Royal University*; Sheila Moore, *Humber College*; Jarrett Vaughan, *University of British Columbia*; Maria Vincenten, *Red River College*.

We also extend our gratitude to the people at McGraw Hill for their professionalism, namely Jade Fair (Portfolio Manager), Amy Rydzanicz (Content Development Manager), Janie Deneau (Senior Supervising Editor), Monika Schurmann (Permissions Editor), and Judy Sturrup (Copy Editor), who were invaluable in their attention to detail and moving the process forward.

Finally, we would like to thank our families for their enthusiasm and patient support.

Arsenio Bonifacio, Donna Dumont, and Sheldon Koufman

PART 1
UNDERSTANDING MARKETING



Chapter 1
Marketing Fundamentals



Copyright © 2023, Hush Blankets

LEARNING OBJECTIVES

- LO 1 Explain the role of marketing in an organization and the importance of meeting customer needs
- LO 2 Define and analyze elements of the marketing mix
- LO 3 Outline the steps in the marketing process
- LO 4 Differentiate between goods, services, and ideas
- LO 5 Describe the evolution of different business philosophies
- LO 6 Describe new and evolving marketing practices
- LO 7 Summarize careers that exist in marketing

CHAPTER OUTLINE

- Hush

- The role of marketing
- The marketing process
- The marketing mix
- The evolution of business philosophies
- New and evolving marketing practices
- Marketing careers

CHAPTER FEATURES

Marketing the "Mo"

The Movember Foundation keeps its message current and relevant.

Benevity—Making CSR the Brand!

Benevity integrates Corporate Social Responsibility into its brand.

The Ethics of Greenwashing

Green falsehoods lead to red reality.

Marketing centres on understanding customers—how they think, what drives purchases, how purchases are made, where purchases are made, and many other factors. Marketers need to be knowledgeable about the technological changes that impact the path to purchase and understand what new communication options are surfacing. They also need to have insights into new marketing trends and the ways customers interact with brands and with companies.

This chapter begins with an introduction to the fundamentals of marketing and an explanation of the building blocks and concepts used by marketers to reach customers. It also touches on evolving areas to ensure that new approaches are top of mind with readers. We examine Hush, a Canadian company focused on helping consumers improve their nights of sleep.

Lifetime friends Lior Ohayon and Aaron Spivak founded Hush in 2017. Their personal experiences working in nutrition and wellness as well as with special needs children in summer camps allowed them to realize the benefits of weighted blankets.[1] Weighted blankets range from five to 30 pounds. Their weight places pressure on the body and alleviates anxiety and stress. This ultimately helps users have a good night's sleep.[2]

In 2019, Ohayon and Spivak appeared on *Dragons' Den*—a business pitch TV program airing on CBC. They demoed their weighted blanket with zipper tech, giving consumers the ability to safely wash their blankets, and their Ice Blankets, developed to help hot sleepers stay cool. After receiving offers from all six Dragons, the founders accepted an offer of $400,000 for 8 percent of their company from Jim Treliving and Laine Merrifield.[3]

Part of the founders' pitch included their GiveBack blanket donation program, where one blanket is donated for every five kid's weighted blankets sold and one is also donated for every ten adult blankets sold. This support for the community helps kids with special needs and terminal illnesses, and adults with disabilities or in homeless shelters.[4]

Hush designed its products with consumers in mind. Based on direct feedback, in 2017 Ohayon and Spivak designed a blanket that could replace a duvet—the blankets looked good when used and covered the sides of the mattress. This was a stark shift from other weighted blankets in the market that sat on top of the mattress but still showed its sides. By summer 2018, however, sales had fallen. The founders once again reached out to consumers and learned that they did not want a weighted blanket in the summer since it was too hot. This sparked the idea of developing the Ice Blanket weighted blanket that keeps consumers cool in the summer. All this research and development was funded by a Kickstarter campaign that raised over $1.3 million.[5]

Ohayon and Spivak are problem solvers who help their consumers reach their functional and aspirational goals. Although their promotional activities are mostly digital and include young and robust individuals, Hush's actual consumers are mainly between the ages of 33 and 55. They want to feel young and hip and/or are looking to solve a functional concern they have such as anxiety, insomnia, stress, or a sleep disorder.[6]

Without any of their own physical retail locations, Hush has relied on digital selling tactics on their website. They consistently have a sales promotion that incents customers to purchase, and they create customer urgency by having many gift-with-purchase incentives, such as free slippers or a weighted throw. As of 2022, Hush was retailed in over 500 brick-and-mortar locations in Canada and the United States.[7]

More recently, Hush moved outside of the digital realm and onto billboards and to sponsorships with sports organizations. As part of the launch of their French Canadian website, Hush became the official weighted blanket of the Montreal Canadiens. This partnership allowed for the Hush website to be displayed in the Bell Centre right behind the goalie.[8]



Hush Blankets is starting to move from solely digital marketing to other forms.

Francois Lacasse/NHLI via Getty Images

With an expanded product line that includes bed sheets, mattresses, pillows, robes, and eye masks,[9] Hush was purchased by Sleep Country Canada in 2021 for $25 million for 52 percent of the company. With the founders sticking around, the next few years should see expanded product lines, Hush pop-up shops, and their consumers having better sleep for years to come![10]

reality CHECK

As you read Chapter 1, refer to the Hush vignette to answer the following questions:

- Describe the target market for Hush. As the company grows, should the target market change?
- How does Hush differentiate itself from the competition?
- What marketing tools does Hush use to create relationships with its customers?

What Is Marketing?

The good news is that you are already a marketing expert! You perform many marketing activities and make marketing-related decisions every day. For example, would you sell more Samsung 85-inch 8K UHD QLED Tizen Smart TVs at $44,999 or $9,999? You answered $9,999, right? So your experience in shopping gives you some expertise in marketing. As a customer, you've been involved in thousands of marketing decisions, mostly on the buying and not the selling side.



Are you a marketing expert? If so, what would you pay for this cutting-edge TV?

travelstock44/Alamy Stock Photo

The bad news is that good marketing isn't always easy. That's why every year thousands of new products fail in the marketplace and then quietly slide into oblivion.

Marketing and Your Career

Marketing affects all individuals, all organizations, all industries, and all countries. This book seeks to teach you marketing concepts—often by having you actually "do marketing"—by putting you in the shoes of a marketing manager facing real-life marketing decisions. The book also shows marketing's many applications and how it affects our lives. This knowledge

should make you a better customer and enable you to be a more informed citizen, and it may even help you in your career planning.

Perhaps your future will involve doing sales and marketing for a large organization. Or working for a well-known company—Apple, TikTok, MAC Cosmetics, or Kellogg's—or a small business that you start. At a minimum, your newfound marketing skills will allow you to better sell your ideas to your employer in any career you choose.

Start-ups and small businesses also offer marketing careers. Small businesses are the source of the majority of new Canadian jobs. So you might become your own boss by being an entrepreneur and starting your own business.

Shortly after leaving Stanford, for example, Elon Musk started and sold a web software company called Zip2. With the proceeds from that business he started another business that merged with another and became PayPal. When PayPal was purchased by eBay, Musk founded another venture called SpaceX, which develops and manufactures space launch vehicles and currently launches humans to space for suborbital missions.[11] They also send satellites to space and deliver cargo to the International Space Station.

Since those initial business start-ups, Musk has also started the electric car company Tesla and a solar power company called SolarCity. In addition, Musk has started a not-for-profit artificial intelligence company called OpenAI and a neurotechnology company called Neuralink. Perhaps your interest in marketing will lead to new business successes like Musk's![12]

The Role of Marketing

MARKETING TIP

"We take our job seriously, not ourselves. Our brand expression of personality has changed over the past 23 years to meet the changing needs of our customers."

- Richard Bartrem, former Vice President, Marketing Communications, WestJet

LO 1 The Hush case illustrates the link between business success and carefully designed product, pricing, distribution, and promotional strategies that meet consumer needs, trends, and expectations. Brands need to be differentiated and marketers are challenged to stay current to ensure that their strategies and messages resonate with consumers.

Often students believe marketing consists only of television commercials and advertising. In fact, marketers' ultimate objectives are to drive profits for a company, or if working in the non-profit sector, to generate revenue and support to fund programs and run operations. Only one aspect of marketing revolves around promotion, with all other elements—including product, price, and place—required to maximize profitability or generate revenue. Marketing is responsible for a large portion of organizational expenses and, conversely, its revenue. Because of this, marketers also need to be financially savvy, be able to create realistic forecasts, dissect a profit and loss statement, and discuss in the on investment (ROI) strategies.

Marketing plays an integral function in any business. **Figure 1–1** illustrates how a marketing department interacts with other departments in an organization and with society, as well as the impact that external environmental forces can have on marketing strategies. Marketing is intertwined with both internal and external stakeholders.

Within an organization, marketing needs to work co-operatively with other functional areas. Research and development is a main contributor to new product development. Manufacturing produces a company's products, ensuring quality and cost efficiency. Finance monitors sales and costs. Information systems coordinates ecommerce and digital marketing technologies. Human resources ensures that qualified and innovative people are filling roles within the

organization. The success of an organization is dependent upon each of these functions co-operating and working collaboratively toward a common vision.

Figure 1–1 A marketing department relates to many people, organizations, and forces. Note that the marketing department both *shapes* and *is shaped by* its relationship with these internal and external groups.

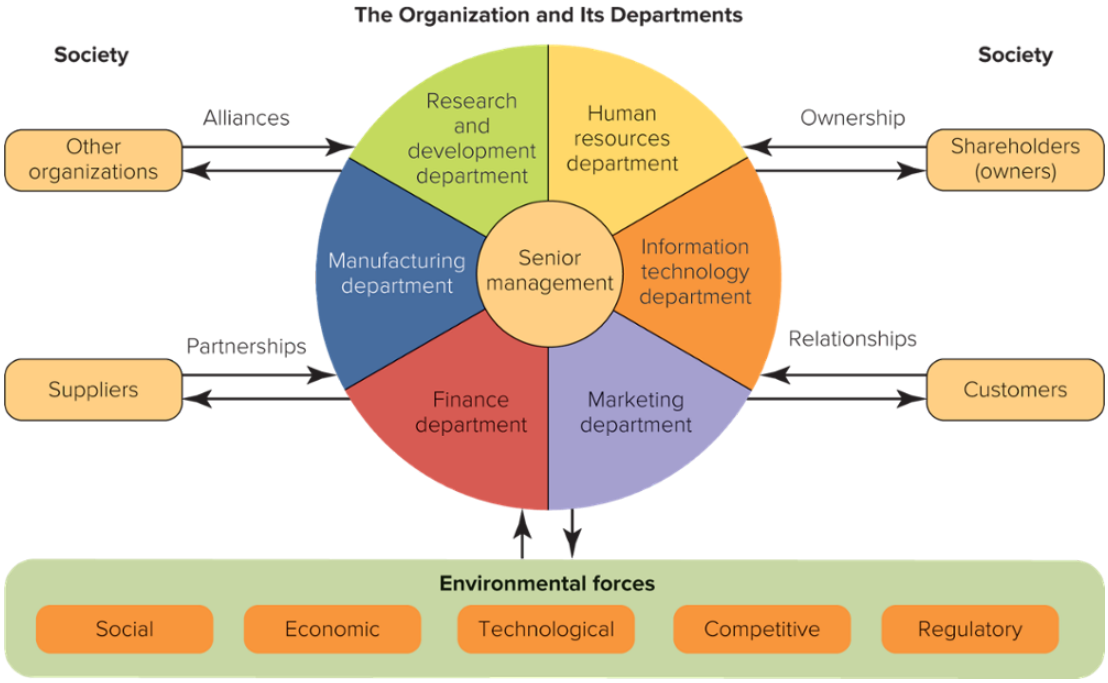


Figure 1–1 also shows the key people, groups, and forces outside the organization that influence its marketing activities. The marketing department is responsible for facilitating relationships, partnerships, and alliances with the organization's customers, its shareholders (or often representatives of non-profit organizations), its suppliers, and other organizations. Environmental forces involving social, economic, technological, competitive, and regulatory considerations also shape an organization's marketing actions. Finally, an organization's marketing decisions are affected by and, in turn, often have an important impact on society as a whole.

The organization must strike a balance among the sometimes differing interests of these groups. For example, it is not possible to simultaneously provide the lowest-priced and highest-quality products to customers and pay the highest prices to suppliers, the highest wages to employees, and the maximum dividends to shareholders.

Marketing planning starts with a scan of the environment. External demographic, socio-cultural, economic, technological, competitive, and regulatory forces create opportunities that a company can maximize and threats that a company should minimize.

This introductory chapter works to explain the fundamental principles that guide marketing, dispelling the myth that advertising and marketing are one and the same. The basic marketing principles of meeting consumer needs and providing customer value are emphasized; we also provide background on the evolution of business approaches. The marketing process and the concept of target markets are explained, as well as the importance of integrating each element of the marketing mix into programs that address consumer needs.

Technological advances are resulting in new and evolving marketing approaches that impact current marketing practices in Canada. Time-tested offline marketing strategies are often supplemented by layers of online digital strategies to better reach customers. Metrics, analytics, evolving marketing regulations, and ethical considerations are reviewed. Finally, there is a discussion on marketing careers.

Focusing on Consumer Needs and Wants

Successful marketing is focused on consumer needs and wants, and on developing programs that engage consumers and inspire customer loyalty. A **need** occurs when a person feels deprived of basic necessities such as food, clothing, and shelter. A **want** is a need that is shaped by a person's knowledge, culture, and personality.

If you feel hungry, you have a basic need to eat something. Let's say you want to eat an apple or a frozen pizza snack because, based on your past experience, you know these will satisfy your hunger need.

Effective marketing, in the form of creating an awareness of good products at convenient locations, can clearly shape a person's wants. A principal activity of an organization's marketing department is to research its consumers to understand what they need and want, and the forces that shape those needs and wants.

However, consumers do not always know what they want and may not want (or be able) to describe what they need or want. In certain categories, such as fragrances or luxury cars, choices are not entirely rational, but partly based on self-image and emotional attachment to a brand, which can be difficult to articulate. In situations where children or professionals are the

consumers, a child may be unable to express ideas while professionals may not have the time to participate in research. Sometimes, marketers may not be asking the right questions.

The digital world adds another level of complexity to market research. On the one hand, it facilitates the online gathering of information; on the other hand, it introduces new communication platforms that challenge marketers to understand the biases that may exist in this new environment.

There are some general insights about how customers navigate the online environment that marketers need to consider when developing marketing programs. First, the initial point of contact with a brand is often online—for example, a corporate website, a promotional microsite, a company Instagram account, perhaps a third-party product review site, or even a friend's social media feed. Marketers must therefore understand the role of the online environment in the customer path-to-purchase and the need to have a solid presence on all these online destinations with information that engages, informs, and motivates.

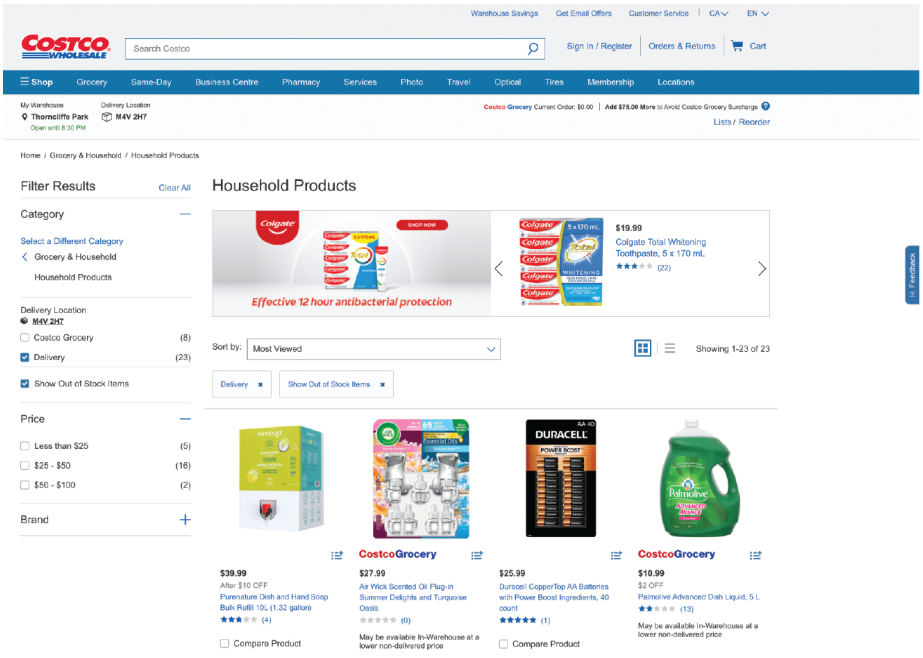
Second, customers have unlimited opportunities to become informed or distracted. According to Google, online customers average 20+ touch points for products such as candy bars and 500+ touch points for flights in online purchase paths. This is why effective digital marketing isn't solely about "being there." Everyone is competing for visibility, and as the competitive landscape gets more and more digitally sophisticated, being there becomes less of a competitive advantage. Instead, compelling and unique messaging and creative may be more effective in the long run.[13]

Consider customers who want to purchase a new tablet. Their first stop might be a product review site such as ***PC Magazine***. Customers might check out the top ten tablets as rated by the magazine and then narrow them down based upon their needs. Customers may want to check out manufacturers' websites (such as **Apple**, **Samsung**, or **Microsoft**) for more detailed specifications on each tablet.

Pricing is a big factor, so customers will often check out several websites (such as **Best Buy** or **Amazon**) to determine the average prices and also the least expensive option. Customers may then decide to go to the brick-and-mortar store location to talk to a salesperson and look at and try the tablets. In any case, the connected customer is a much more informed customer.

Costco understands this process and ensures that the customer's interaction with its site is seamless by providing reviews, price comparisons, and comprehensive product details.

> *"Successful marketing is focused on customer needs and wants, and on developing programs that engage consumers and inspire customer loyalty."*



The Costco.ca site allows customers to easily compare products.

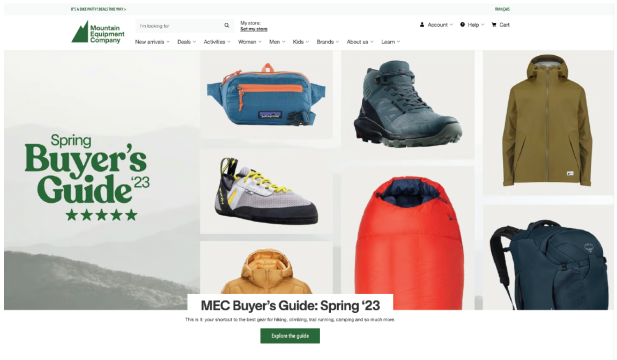
© 2005 – 2023 Costco Wholesale Canada Ltd. All Rights Reserved.

Creating Customer Value

Providing customer value can ensure that customers remain loyal over time. Companies must first create products and services that not only meet consumer needs but also provide added value versus the competition. Repeat purchases should be encouraged through marketing programs and incentives that focus on generating repeat purchases.

Marketers must be able to communicate a clear, **customer value proposition**, which conveys the unique combination of benefits received by targeted consumers that will satisfy their needs. These benefits could include quality, price, convenience, delivery, and both before-sale and after-sale service. Walmart's customer value proposition can be clearly described as "everyday low prices for a broad range of products that are always in stock in convenient locations." Marketers work diligently to deliver this value by carefully managing each element of the marketing mix (product, price, place, and promotion) so that this value is evident to consumers who in turn purchase or use the products.

Creating products with added value is often achieved through a combination of (1) product design, (2) pricing strategies, and (3) service elements. For example, Walmart focuses on the lowest price, MEC focuses on providing the best products, PUR Gum highlights its natural ingredients and health benefits, and Pizza Pizza (with its award-winning app for mobile ordering) highlights its fast purchase and delivery service as added-value elements for consumers. Let's examine Amazon to find out how it balances product design, pricing, and service levels to call attention to meaningful products with added value.



MEC very simply highlights product quality in this ad.

©2023. All rights reserved. The MEC logo is a registered trademark of MEC Mountain Equipment Company Ltd.

Amazon is an online brand that presents customers with outstanding value through a searchable database of well-priced products that are peer-rated and -reviewed. It also recommends related products and tracks delivery dates through timely emails—design, price, and service all rolled into one. Customized emails are sent out to its database of customers to encourage loyalty through special offers, featured products, and the announcement of new releases.

Amazon's consistent value proposition continues to result in strong business metrics. It dominates online retailing, evidenced by its ranking as #2 on the National Retail Federation's top 100 list in 2022.[14] In 2022, Amazon shipped 1.6 million packages each day, with Amazon providing further value to its brand in Canada with Amazon Prime memberships.[15] For an annual $99 fee or monthly $9.99 fee, Prime provides members with free shipping on millions of items, unlimited photo storage, award-winning movies and TV shows through Prime Video, and access to exclusive deals.[16]

Appealing to Target Markets

In a competitive marketplace, companies cannot satisfy everyone's needs with a single product, so products are designed to appeal to specific groups of consumers. Marketing follows the principle that with limited funds, it is better to channel resources toward consumers who are most interested in purchasing a product, rather than target everyone and squander funds on those who have may have little interest.

A **target market** can be formally defined as the specific group (or segment) of existing and potential consumers to which marketers direct their marketing efforts. Marketers ensure that each element of the marketing mix appeals to the characteristics of the target market.

Coordinating the Marketing Mix

LO 2 The elements of the **marketing mix**—known as the 4 Ps: product, price, place, and promotion—are all controllable factors that need to be carefully managed by marketers to ensure that they are well coordinated and that each appeals to the distinct characteristics of the target market. There is no point in having an amazing product if customers cannot find it at the retail stores they frequent or online through a search.

If the product is priced too high for the target market, it will be unaffordable; if it's priced too low, it will simply portray the wrong image. If marketers promote a product on TV, but the target market rarely watches TV, instead spending time online, then the message will not be received. In all instances, marketers need to understand what makes their consumers tick, what they desire, and how best to communicate with them.

This information is often clarified by market research on customer behaviour to help determine how marketing efforts can be designed or modified to meet the needs of the target market. Marketers use this information to improve marketing programs and coordinate each element of the marketing mix. These elements are all included in a brand's annual marketing plan where details for each element of the marketing mix are outlined, together with the required budgets and profit and loss statements for the brand. **Chapter 15** provides more detail.

The elements of the marketing mix can be simply described as follows:

1. **Product**: All the attributes that make up a good, a service, or an idea to satisfy the customer need, including product design, features, colour, packaging, warranty, and service levels.
2. **Price**: What is exchanged for a product, including the expected regular retail or sale price.

3. **Place**: The way in which your product gets to the customer, including the distribution channels, retail formats, and merchandising used to sell a product.
4. **Promotion**: The tools needed to communicate with customers about a product, including advertising, public relations, sales promotion, direct response, event marketing, sponsorship, online approaches, and personal selling.

> *“Marketers need to understand what makes their consumers tick.”*

We now look at how Halo Top ice cream, the cult brand and Instagram sensation that hit the Canadian market in 2018 with promises of less sugar, fewer calories, *and* more protein than your usual pint while delivering the satisfaction of eating real ice cream.



Halo Top allows consumers to feel good about eating ice cream without worrying about the calories.

©2021 Halo Top Canada Ltd. All rights reserved.

Halo Top’s target market is male and female adults willing to pay a premium to indulge in ice cream with less guilt while meeting their goal to eat healthier. The company was able to successfully break into the Canadian dairy market by partnering with a copacker to produce and distribute its products in the Canadian market.

The packaging is smart. Each tub comes with a gold-rimmed lid and cleverly designed message underneath, telling you to “Stop When You Hit the Bottom” or declaring “I’m Cold, Let’s

Spoon." But the real draw is that each pint has just 80 to 100 calories per 125 ml serving, far fewer than regular ice cream. Halo Top cuts back on the sugar by using three different sweeteners: Stevia (a low-calorie natural sweetener), erythritol (natural sugar alcohol), and cane sugar. In a comparison of Halo Top Vanilla Bean and Häagen-Dazs Vanilla, Halo Top has just 80 calories, 2.5 g fat, 5 g protein, and 15 g carbs, while Häagen-Dazs has 290 cal, 18 g fat, 5 g protein, and 26 g carbs.[17]

With more air whipped into the product, the texture is decidedly lighter, but the flavour variety offers something a lot of brands don't. Halo Top tapped into the science of flavour, starting with how our taste buds work. A study published in the *Journal of Dairy Science* proved we're actually pretty terrible at detecting the difference in fat levels in things like ice cream. Fat content could vary as much as 4 percent, and participants were none the wiser, and while that doesn't sound like a lot, it helps save around 154 calories per pint. So Halo Top uses only the lower-fat parts of the ingredients that add a rich texture, like milk and eggs. And one more thing: Halo Top is obviously cold, which works in its favour. Cold has a numbing effect on your taste buds, so not as much sweetness is actually needed.[18]

At first, Halo Top avoided a traditional media approach, relying on word of mouth and social media to spread the word about its lower-calorie ice cream, which tops out at 360 calories per pint. Then it began facing increased competition and stepped up its marketing.

Halo Top's success has been due, in large part, to social media. Justin Woolverton founded the company in 2011, but *AdAge* says it wasn't until 2016 that sales jumped a shocking 2,500 percent.[19] That was, in part, thanks to a rave review in *GQ* written by a journalist who'd embarked on a mission to eat nothing but Halo Top for ten days. Not only did he survive to tell the tale, but he lost weight...and bought a couple more pints of chocolate after finishing off 50 pints.

His story went viral on social media, and that kicked off Halo Top's popularity. Since then, Halo Top has stayed true to the idea behind the company. You'll see some television ads, sure, but Woolverton says all marketing is done in-house. Ads are spread out among Facebook, X (formerly known as Twitter), and Instagram, and success came just in time, too. The boom happened when the company was running out of cash. After spending hundreds of thousands in design and development, resorting to high-interest loans and maxing out credit cards, the company almost folded instead of taking off.

In August 2017, the gay dating app Grindr took another step into broadening Halo Top's online presence. Grindr launched a companion lifestyle site, *Into*, with the hopes of attracting

companies that wanted to put their advertising dollars into a site that would help them reach the LGBTQ community. Two organizations jumped on board immediately: FX's show *American Horror Story: Cult* and Halo Top. *AdWeek* says scrolling ads for the two brands featured heavily in the site's launch, with *Into* showrunners hoping they were going to lead the way for other advertisers who wanted to reach a new market that might not be as heavily catered to by other sites and publications.[20]

Since then, competition has heated up a bit, with mainstream brands and grocers bringing out somewhat similar products. Halo Top has responded with new products, including nondairy varieties and low-calorie ice cream pops.

It is important to note that, over time, marketers gather extensive information on their target markets, being able to identify purchase motivation that goes beyond age and gender into behavioural and psychological motivation, which are important determinants in many purchases. In this way, marketers define their target markets in more complex terms, including elements such as likes, dislikes, motivation, interests, and concerns.

The digital reality has made the marketing mix more complex. Marketers realize that each element now has many layers that need to be managed, no easy task in the online environment. A product, for example, now has many faces: offline in stores and online on corporate websites, on blogs, on promotional microsites, on apps, and on social media sites where marketers carefully monitor and join conversations to engage consumers. This is made even more complex by the different technical requirements needed for websites to render appropriately on different mobile devices.

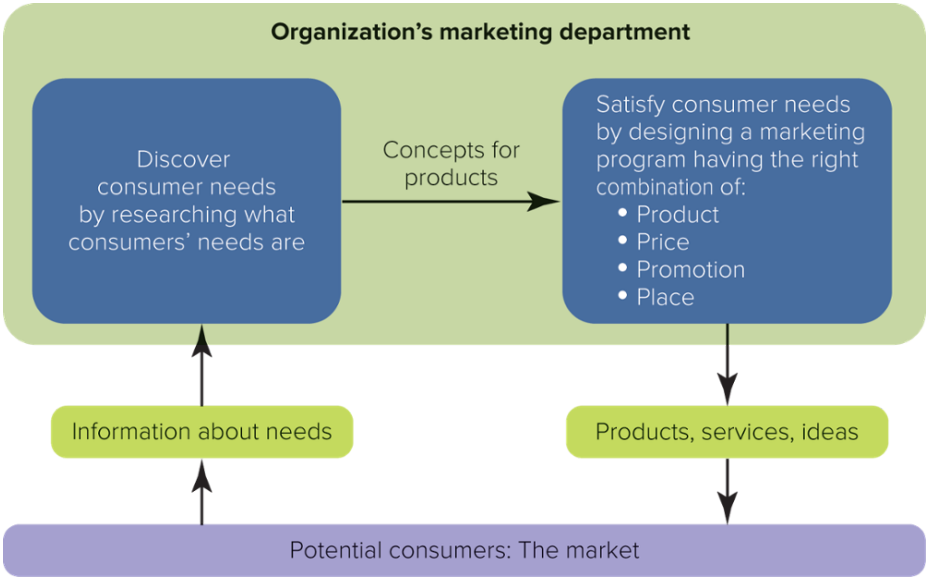
Critical Thinking for Marketing

1. *What is the role of marketing in an organization?*
2. *What is a target market?*
3. *What is the marketing mix?*

The Marketing Process

LO 3 The **marketing process** involves (1) identifying consumer needs, (2) managing the marketing mix to meet these needs, and (3) reaching potential customers or the market (see **Figure 1–2**). The marketing process requires that marketers understand their customers and apply strategic, analytical, and creative-thinking skills. Throughout the cycle, marketers constantly evaluate program success, recommending and implementing changes to strengthen efforts. Let's consider Amazon Prime and how this process works.

Figure 1–2 The marketing process



Amazon Prime was created to offer regular Amazon customers free two-day delivery on an unlimited number of products, with no minimum order size. Shoppers prefer to have free shipping when purchasing online, but many sites have minimum order sizes or longer shipping times. Amazon provides additional value to the membership by also including access to streaming movies and television shows through Prime Video, unlimited music streaming, unlimited reading on any device, and unlimited photo storage, all for one membership fee. In 2022, it was expected that US$47 billion would be spent in total through online shopping—that is an average of about US$1,300 spent by an average Canadian online every year, resulting in potentially high shipping charges.[21]

Amazon offers a 30-day free trial, after which the customer is charged the annual fee. The free trial reduces barriers for customers to try the service and allows customers to see the value prior to spending any money. Shipping has consistently been a key differentiator within the customer decision-making process online. A survey shows that 84 percent of customers made a purchase because the shipping was free and that 77 percent of customers had abandoned their full shopping cart due to poor shipping options.[22]

Amazon Prime is available online, on the **Amazon.ca** site, where the customer is already shopping. Customers also receive an offer to purchase Amazon Prime at checkout, once they have seen their shipping charges for the order in their shopping cart.[23]

Amazon Prime has been communicated using simple and clear messaging, through email promotion (to existing Amazon consumers), through online promotion (on its site), and through social media. As of 2021, there were over 200 million paid Prime members globally.[24]

Marketers are ultimately responsible for generating company profits (or revenues and support for non-profit organizations), and marketing programs are designed with this end in mind. Formally, **marketing** is described as the process through which goods and services move from concept to the customer. It includes the coordination of four elements called the 4 Ps of marketing, to identify, select, and develop a product; determine its price; select a distribution channel to reach a customer's place; and develop and implement a promotional strategy.[25]

Exchange is the trade of things of value between buyers and sellers so that each benefits. In simple terms, the trade is money for a product or service. However, there is more to exchange than just money—customers may provide referrals to a tutoring service or to a fitness club in return for discounts or additional services. A consumer may volunteer time with a non-profit organization such as the Heart and Stroke Foundation, which in return may satisfy the consumer's need to support the cause.

In the online environment, exchange is often more complex. In many instances, websites may not be selling a product at all but instead providing free information or a service that drives traffic to their website, where advertising is used to help pay for the service. The number of website page views and data on its demographics are used to sell this advertising space and generate revenue for the website. Many news websites, such as **Macleans.ca**, and web portals, such as **Google.ca** and **Canada.com**, fall into this category.

"The marketing process requires that marketers understand their customers and apply strategic, analytical, and creative-thinking skills."

What Can Be Marketed?

LO 4 In marketing, the term *product* encompasses goods, services, and ideas. These products can all be marketed to encourage people to buy something or, as in the case of ideas, to encourage support.

A **good** is a product that is tangible—you can touch it and own it. Examples are a can of Red Bull or a pair of Adidas running shoes. Adidas running shoes are tangible products that are marketed in different styles and colours, sold at a premium price, merchandised in sporting goods and shoe stores, and promoted with ads and social media with a focus on performance and style. Adidas achieves publicity through the sponsorship of athletes and sporting events. Adidas repeats its message across all forms of social media and demonstrates the value of its shoes on its YouTube channel.

A **service** is an intangible, a product you cannot touch. It does not result in something you can own. A physiotherapy session, a vacation, or going to a movie are examples of services. When you watch a movie at Cineplex Entertainment, marketers have worked to ensure the experience encourages you to return. Movie selection, theatre layout, seating, loyalty programs, and concession items have all been carefully selected and designed with the comfort and needs of the target market in mind. The Cineplex–Scotiabank SCENE loyalty rewards program has been created with rewards that encourage customers to return to Cineplex Entertainment theatres time after time to collect points and receive benefits such as discounted concession items, free movies, or discounted dining.[26]

Ideas can also be marketed. An **idea** is a concept that typically looks for support. An example is Mothers Against Drunk Driving (MADD) Canada. MADD Canada's mission is "to stop impaired driving and to support victims of this violent crime." Statistics show that, on average, four Canadians are killed every day by impaired drivers. MADD increases the awareness of the impact of impaired driving through campaigns such as Project Red Ribbon, when millions of red ribbons are sold each year. It has been estimated that almost 43,000 lives have been saved through the efforts of MADD and its awareness campaigns.[27]

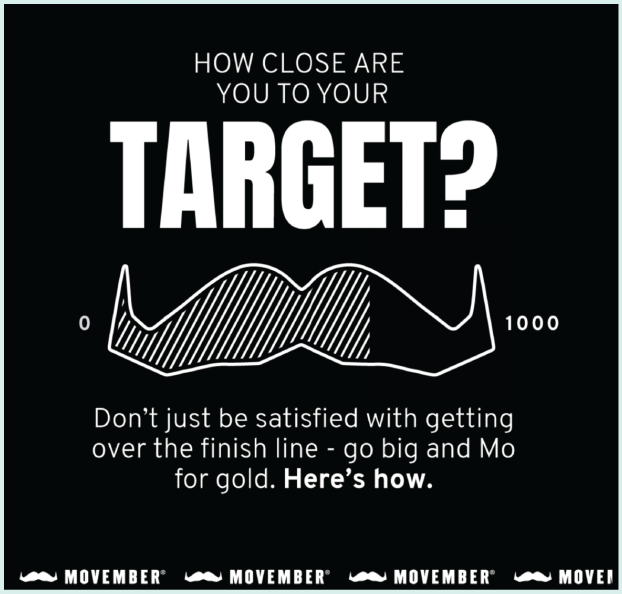
Another example is the November Foundation campaign that asks men to grow moustaches in November to support men's health initiatives. For more about this campaign, see the Marketing Matters box, **Marketing the "Mo."**[28]

"Ideas can also be marketed."

Marketing Matters

Marketing the "Mo"

As the seasons change to winter, it is inevitable that we see our male colleagues, friends, and family growing facial hair that lasts for a full month's time.



© 2021 Movember. All rights reserved.

The Movember Foundation was started in Australia in 2004 by two friends. What started as an idea to bring the moustache back into fashion has dovetailed into a fundraising campaign for men's health. Those two friends were able to entice 30 of their friends to grow moustaches in 2003 for no money. They then thought about the potential power of this platform and subsequently formalized Movember. The Movember Foundation focuses on four specific issues: prostate cancer, inactivity, testicular cancer, and mental health.

It is a fairly simple idea: men grow moustaches during the month of November and have friends and family sponsor their endeavour. What evolved from this simple idea has been historic!

Since its inception, Movember has raised $1.26 billion for men's health. In 2007, Movember was launched in Canada; in 2021 the foundation raised $24.6 million.[a]

The Movember Foundation is one of the largest investors in men's health in the world. Movember has created its own language and culture. Mo, Mo Bro, Mo Sista, and Mo Mentor are just a few of the terms that supporters are

quite familiar with. Advice about how to grow a “Mo” and how to eat with a “Mo” is shared on the foundation’s website.

As Movember celebrated its twelfth anniversary in Canada in 2019, donations were down. Movember Canada is trying to move beyond the moustache. The moustache is still a major part of the brand, but Movember has expanded into men’s mental health and suicide prevention. There is less focus on the moustache logo and more focus on stopping men from dying too young.

To further the cause, Movember has partnered with corporations including Visa, the NHL, Harley-Davidson, and GoodLife Fitness to introduce MOVE. MOVE encourages donations for individuals who commit to MOVE-ing every day during the month of November. This expands participation beyond growing a moustache.

Part of the reason that the moustache is no longer at the forefront of the campaign is the success of the campaign itself. Moustaches have become more popular over the last decade, particularly among younger men. Movember is credited for having driven that trend. Men grew the moustache, tried it, and kept it.

Wanting to extend its message beyond the month of November, Movember Canada has recognized April as Testicular Cancer Awareness Month, with a #knowthynuts campaign. This campaign is meant to encourage men to complete their own self exams to ensure early detection of testicular cancer, a type of cancer most common in younger men.

The campaign has also expanded into September, focusing on men’s mental health for World Suicide Prevention Day in mid-September.

Movember is a month-long opportunity for participants to outwardly show their support for men’s health, generating conversation, an exchange of knowledge, and ultimately donations to the Movember Foundation.

Questions

1. How do not-for-profits stay relevant?
2. How do partnerships help spread a non-profit organization’s message?

Many successful marketers today launch products with layers of goods, services, and ideas to connect with customers. For example, you may decide to purchase a new smartphone. You select an iPhone 13 from Apple. This smartphone comes with 128 GB of storage, weighs 173 grams, is 7.65 mm thick, and has a 6.1 inch diagonal display (*product*).[29] Once you begin to use your phone, you download songs using iTunes. You also like to shop, so you sign up for Apple Pay so that you can use your iPhone to pay for purchases (*services*).

Critical Thinking for Marketing

1. *What steps are involved in the marketing process?*
2. *What are the differences between goods, services, and ideas?*
3. *Are credit cards goods, services, or ideas?*

What Is a Market?

The term **market** is used in marketing to describe potential groups of customers who have both the willingness and the ability to buy a product. Importantly, just being willing to buy a product does not constitute a market. For example, the Nintendo Switch is a gaming console that has been targeted to families. The Switch has a multitude of action games, such as those in its Super Mario/Luigi franchise, as well as interactive games that simulate sports or live action/adventure journeys. Although

the Switch is used by kids, kids are not considered to be the product's market because they do not have the money or the means to buy the product. The market would generally consist of parents with children up to their teenage years as well as older users between the ages of 12 and 30 who can purchase the product.[30]

The Switch touches on an interesting marketing issue: sometimes the market, target market, and customers are different groups of people, and marketers need to balance the various groups to target with their programs. While the customers for the Nintendo Switch are parents with children, the marketing also needs to focus on the children, who may exert some influence over their parents. Therefore, we see that the target market for the product includes both children and parents. Finally, the consumers of the product, in this case the users, are mainly the children, not the parents, and marketers need to ensure that the product is designed with their abilities and interests in mind, without overlooking the parents, who are the main decision makers in the purchase process.

The Evolution of Business Philosophies

LO 5 Marketing was not always the driving force in business philosophy. Until the 1930s, businesses were in the **production orientation** stage. This stage focused on manufacturing, which until the Industrial Revolution, was not a widespread phenomenon. Manufactured goods tended to sell, regardless of their quality, because they were in short supply. Consumer needs were not a priority.

It was during this era that the Ford Motor Company introduced the assembly line, manufacturing cars in a fast and efficient way. The second stage, from the 1930s to the 1960s, was the **sales orientation** stage. This stage focused on selling as many products as possible. The market had become more competitive, production had become more efficient, and products were in abundance. Companies started to hard sell to make a profit, and consumer needs were still not a major consideration.

As the marketplace became more competitive, businesses developed more sophisticated approaches. In the 1960s, consumer needs became more important, and the marketing concept became the focus of businesses. The **marketing orientation** stage focuses on the idea that an organization should strive to satisfy the needs of consumers while also trying to achieve the organization's goals. An organization that has a marketing orientation focuses its efforts on continuously collecting information about consumers' needs, sharing this information across departments, and using it to create customer value.

Marketing has evolved from a discipline with a short-term focus on transactions to one that now also focuses on building long-term customer relationships. This **relationship marketing** stage sees organizations considering the lifetime value of their customers and striving to offer better services, along with higher-quality products to encourage long-term relationships with customers. Over the last few years, relationship marketing has included a greater use of social media, and an increased focus on customer relationship management and corporate social responsibility to create meaningful relationships.

These approaches emphasize customer retention and ongoing consumer satisfaction rather than short-term transactions. Organizations carefully collect and use information on consumer interests to develop relationships with them and retain their loyalty. Businesses recognize that improved consumer relationships can result in increased customer loyalty, improved customer retention levels, and greater profits for an organization. (**Figure 1–3** summarizes this evolution of business philosophies.)

Figure 1–3 The evolution of business philosophies



Database technology has surfaced as a tool that facilitates relationship marketing by putting a focus on **customer relationship management (CRM)** for the marketing industry. This approach is rooted in the knowledge that it is less expensive to service and maintain current customers than to constantly acquire new ones. CRM identifies a firm's most valued customers and builds programs to appeal to their needs. It systematically identifies what will lead to customer satisfaction and profitable brand loyalty. It is often facilitated by CRM software and databases. Formally, CRM is defined as the process of building and developing long-term customer relationships by delivering customer value and satisfaction.[31]

We can look to the Canadian retail industry to better understand CRM and to find out how it is applied. In its simplest form, CRM involves the occasional customer email about upcoming sales or advance notice of new product launches. In a more advanced state, it includes sophisticated customer loyalty programs that reward continued purchases and usage. Air Miles is

an example of a widely recognized and sophisticated CRM program that partners with brands to provide members with rewards.

Retailers use CRM loyalty programs to help secure a greater **share of wallet** from their customers. *Share of wallet* refers to the percentage of a customer's purchases that a company has in a specific product category. They use loyalty cards to track individual purchases and then correlate the data with offers and incentives to determine what works best. Offers are then customized to meet buyers' purchase habits. Pioneers of CRM in Canada include Hudson's Bay with its HBC Rewards card and President's Choice/Shoppers Drug Mart with its PC Optimum card.

Advanced CRM considers **customer lifetime value** and what offers will keep customers loyal over their lifetime. *Customer lifetime value* refers to the potential sales that will be generated by a customer if that customer remains loyal to that company for a lifetime.

Let's look at a simple example. If a pregnant woman buys prenatal vitamins at a store that uses CRM tracking software, such as through its loyalty cards, in time she may start receiving coupons for diapers, baby food, and tips on infant nutrition; her prenatal purchase has triggered sophisticated computer programs to recognize her eventual need for baby products. As this woman's needs evolve, and as the children get older, the offers may change to include over-the-counter medications for toddlers or school supplies for youths. This is one of the ways that companies can use CRM to encourage customer loyalty. CRM is covered in more detail in **Chapter 14**.

Finally, **corporate social responsibility (CSR)** has become an important part of the relationship marketing stage, with companies realizing that consumers want to be associated with companies that share their values and interests. CSR is a concept where organizations voluntarily consider the well-being of society and the environment by taking responsibility for how their businesses impact consumers, customers, suppliers, employees, shareholders, communities, the environment, and society in general. In this manner, CSR programs become part of a brand's fabric and help to build long-term relationships and solidify brand connections with consumers. The apparel company Benevity provides an excellent example of CSR being integrated into the brand itself (see the Marketing Matters box, **Benevity—Making CSR the Brand!**).[32]

Marketing Matters

Benevity—Making CSR the Brand!

Corporate social responsibility (CSR) initiatives can often seem as though they were an afterthought or an add-on to corporate strategy. For Benevity, CSR is its brand!



Benevity Inc.

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Benevity Inc., a certified B Corporation, was co-founded in 2008 by CEO Bryan de Lottinville and a group of tech innovators as a platform that enables companies to engage their employees and customers around social responsibility and community investment. Benevity's ultimate goal and vision is for there to be no need for a separate category of B Corporations, "because every company will pursue hybrid goals of profit and purpose."

Benevity is the global leader in corporate social responsibility and employee engagement software, including online giving, matching, volunteering, community investment, and purpose-driven actions. Many of the world's most iconic brands rely on Benevity's award-winning cloud solutions to power corporate "Goodness" programs that attract, retain, and engage today's diverse workforce by connecting people to the causes that matter to them.

With software that is available in 22 languages, Benevity has exceeded $10 billion in donations to over 326,000 non-profit organizations.[b] Benevity has a customer base of almost 1,000 clients spanning large, global enterprises like Microsoft, Coca-Cola, Google, and Honda.[c]

"By engaging more people, more often in Goodness—no matter where they are located—companies can make their CSR programs and purpose-driven initiatives more experiential and inclusive for everyone, strengthening employee engagement and retention," says de Lottinville.

"With the addition of mobile, our clients now have another way to empower their people to support causes they care about, which in turn helps to create a workplace culture distinguished by meaning, engagement, and a passion to make the world better," he adds. "It's an essential and logical next step in the evolution of our platform."

The socially concerned consumer is alive and well across the globe. A recent Nielsen study showed that 55 percent of global online customers were willing to pay more for products from companies that were socially responsible. The likelihood of embracing social responsibility is even greater in Asia Pacific, Latin America, and the Middle East/Africa. Canada is only the launching pad for Benevity's impactful strategy.

Questions

1. What strategies do you believe that Benevity should focus on to remain relevant?

2. Do you believe that Benevity is a fad, or is it here to stay?

CSR initiatives can range from the simple to the complex and typically include one of three approaches. In its simplest forms, CSR can involve (1) the sponsorship and/or spearheading of community programs and (2) the sponsorship of and/or involvement in fundraising initiatives for charitable organizations. In its most advanced form, CSR is used (3) as a business philosophy of an organization that implements socially responsible business practices to positively impact the community at large.

Loblaw Companies Limited is another excellent example of a company that has demonstrated a commitment to give back to the community and operate in a responsible manner.

Loblaw's CSR strategy has three pillars: sourcing, environment, and community. Responsible sourcing targets many components of the supply chain for Loblaw, from the working conditions of suppliers' employees, to the elimination of concerning ingredients from products, to a priority focus on informative labelling. The environmental pillar targets waste reduction by decreasing the use of plastic shopping bags. In June of 2022, Loblaw announced they would completely

eliminate plastic bags from their stores by quarter one of 2023. This plastic reduction journey began in 2007 and has eliminated 13.8 billion bags from ending up in landfills.[33]

In 2016, Loblaw targeted an emissions reduction of 30 percent by 2030 but was able to reach that target by 2021. It has now increased its goal to a 50 percent reduction by 2030.[34] Loblaw has also reduced its food diversion to landfill by 86 percent.[35]



Responsible sourcing is a key pillar of Loblaw's CSR strategy.

©Valentino Visentini/Alamy Stock Photo

Many organizations now include CSR components in their business plans, issuing annual CSR reports and CSR plans to ensure they live up to their directives. Loblaw has published an annual corporate social responsibility report every year since 2007. Since 2002, Corporate Knights, a media company, "maintains an editorial focus on climate change, responsible investing, and the ideas, actions and innovations that shape a sustainable economy."[36]

Its 2022 report highlights the top 50 corporate citizens. Companies leading the list include Hydro-Quebec, Innergex Renewable Energy, and Brookfield Renewable Partners. Another well-known company on the list is TELUS. TELUS data centres consume 80 percent less power than a typical data centre. TELUS is also a major sponsor of We Day through its employee volunteer program, called TELUS Days of Giving. Over the last 20 years, 12 million volunteer hours have been invested in communities across Canada and $820 million has been donated by TELUS employees and retirees.[37]

Unfortunately, some companies have taken advantage of the environmental movement by deceptively positioning products as being green, when in fact they do little to help the environment. In fact, a 2021 European study suggests that 42 percent of green claims were exaggerated by companies.[38] This has given rise to the term **greenwashing**, which refers to the deceptive use of marketing practices to imply that a good, service, or organization is environmentally friendly.

A 2022 research project suggests that companies who overcommit and underdeliver on their green promises are punished by their customers with lower customer satisfaction rates. At the core of the flailing satisfaction is the customer perception of corporate hypocrisy.[39] Walmart came under fire in 2022 for incorrectly marketing products as being made out of bamboo and manufactured with eco friendly processes. They settled the claim for $3 million.[40] In 2018, Keurig settled a lawsuit for $10 million over an untrue claim that their single-use coffee pods were recyclable.[41]

The marketing community is also putting an increased focus on the well-being of society and the environment in its marketing programs. It is commonplace to now see marketing initiatives that focus on the consumer and the well-being of society, an approach described as the **societal marketing concept**.

One of the pioneers of societal marketing is The Body Shop. The Body Shop was started on the belief that only natural ingredients should be used in products and that those products should not be tested on animals. Back in 1976, this was a very original business strategy. Since that time, The Body Shop has supported a range of causes including human rights, environmental protection, and fair and ethical trade. In 2016, The Body Shop launched the Limited Edition Change Hemp Hand Protector. The packaging was developed by a world-renowned street artist named Eine, and the product sports a strong message of CHANGE on the label. A portion of the revenue from each unit sold is donated to The Body Shop Foundation to support a range of projects dedicated to helping the planet, oceans, people, and animals.[42]

New and Evolving Marketing Practices

LO 6 Marketing today focuses on meeting short-term consumer needs and generating immediate company profits, as well as the long-term viability and sustainability of a business through the transparent connections it makes with its business partners and by creating meaningful customer relationships and community initiatives. Many new tools are now available for marketers to communicate organizational approaches and product benefits. In this section, we review some of the latest new and evolving marketing practices.

Some of the recent marketing approaches include customer relationship management programs and corporate social responsibility (as already discussed), with evolving areas including (1) digital marketing, including content marketing, mobile marketing, and social media marketing; (2) augmented reality; (3) experiential marketing; (4) influencer marketing; (5) partnership marketing; (6) metrics and analytics; and (7) new marketing regulations and ethical considerations.



Digital marketing provides many online communication tools.

BigTunaOnline/Shutterstock

Digital Marketing

The backdrop to new and evolving marketing approaches is the rapid adoption of Internet technology by our society, with consumers and businesses having access to lower-priced computers, multiple mobile devices, high-speed Internet connections, and cloud computing. In addition, many free online services are available, such as email, online search, cloud file storage, and social media platforms.

Digital technology has changed consumer behaviour, with many people using smartphones and tablets to stay connected with friends, family, and work throughout the day and to get media updates on their areas of interest. In 2021 there were over 33 million subscribers to mobile devices in Canada.[43] Wireless services have become an integral part of Canadians' lives.

Whether to stay in touch with family and friends, consume content, or work while on the move, wireless services have become indispensable for most Canadians. More Canadians have mobile phones (90 percent) than landlines (41 percent), while approximately one-third of Canadian households rely exclusively on wireless services. People in Canada are among the most connected in the world, spending over 46 minutes per day on social media and over six hours per day online.[44]

The widespread use of digital technology in Canada is the most important trend impacting how marketers do business. Digital technology has changed the path to purchase and drives how consumers gather information, connect with each other and businesses, and purchase products. The amount of time consumers spend on the Internet has changed significantly over the last few years, prompting marketers to increasingly use digital marketing approaches to reach consumers. **Digital marketing** is an approach that uses electronic means to reach consumers, whether this be through computers, gaming devices, out-of-home electronic screens, or mobile devices such as smartphones and tablets.



Starbucks is serious about its customers' ideas.

©FotograFFF/Shutterstock

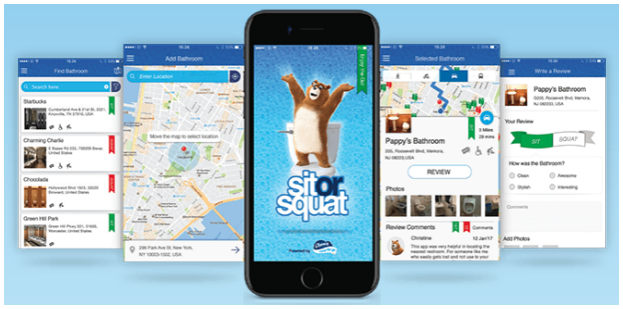
Digital marketing includes many stellar online tools, such as display advertising, affiliate marketing, search engine marketing, search engine optimization, pay-per-click advertising, mobile marketing, email marketing, and social media marketing. An example of an integrated digital marketing campaign can be seen with Starbucks.

Starbucks is heavily invested in social media with record-breaking engagement with its Facebook, X, and Instagram platforms. Starbucks has tried to maximize its mobile interactions with customers by encouraging mobile payments, which decrease the time that a customer stands in line. With over 200,000 ideas submitted to the My Starbucks Idea website, Starbucks successfully implements crowdsourcing to show its customers that it values their suggestions.[45]

Among the key strategies laid out by the company were the continued focus on Starbucks's app-based rewards program, which hit the 24.2 million 90-day active user mark and is growing 48 percent year over year as of 2021.[46] Digital initiatives like its rewards program look to cater to a "digitally savvy" customer base that expects higher levels of convenience and a more personalized experience.

Content Marketing

Integral to the success of any digital marketing campaign is the concept of **content marketing**, when brands or companies publish blogs, investing in resources to produce unique content and paying for content-related ads. When you think of examples of content marketing done right, Hubspot is always on the list. In addition to creating a free tool as a growth hacking strategy, Hubspot has used content marketing by writing in-depth blog posts about the issues its visitors care about; adding content upgrades such as ebooks to its blog posts; creating an educational and content sharing hub (Inbound.org), which gets 321,000 visitors each month and provides a great opportunity to promote its certification and partnership programs; and creating videos for Facebook and using LinkedIn to send traffic to those videos.



Charmin Sit or Squat campaign.

©2020 PROCTER & GAMBLE

Charmin, the toilet paper brand, created an app for its customers called Sit or Squat. Charmin built a social media campaign around this unique app to get the word out about its products.

The app allows users to check the toilets around their local area to find out whether they are clean. The idea behind this is that if they are clean, people can feel free to sit, but if they aren't clean, then they may want to squat. This silly app was the perfect way to connect with customers about a real problem they face that is relevant for the brand to address.

One reason this app and the resulting campaign are so effective is that they get people talking. The app idea may seem silly, but it is, at its core, still useful and relevant to consumers who would be using Charmin's products. The app is also interactive, which allows consumers to take part in the content experience themselves.[47]

Mobile Marketing

Mobile marketing is a major disruption that continues to intensify. It includes both smartphones and tablets. Successful marketers must embrace the channel and focus on the importance of seamless, user-friendly experiences on mobile. Over 80 percent of mobile time is dominated by app consumption. M-commerce (buying and selling) is predicted to be the number-one use of mobile, with mobile payments and watching video a close second and third.[48]

Display and search are the most popular forms of mobile advertising, but branded content shows the most potential for future growth. Location data is at the core of mobile, but marketers expect the Internet of Things marketing applications to drive mobile growth. The current challenges in mobile marketing are the lack of data and how to measure the effectiveness of the investment.

Retail and entertainment lead the way in innovative use of mobile. Amazon was cited as the most innovative brand in mobile retail best practices by the Mobile Marketing Association. Amazon is one of the first organizations to embrace mobile commerce with a mobile-optimized site, consistent design across apps and mobile sites, easy repeat purchases, prominent call-to-action, one shopping basket across all platforms, predictive search, and spelling correction. Starbucks achieved second place in innovative mobile recognition in its overall brand use with its mobile payment, notifications, loyalty program, free downloads, and easy order/pay/pickup. Facebook Messenger was recognized in third place for gaining mass use quickly and giving scale to user-generated live video.[49]



Mobile marketing reaches people on their personal devices.

AmbrosiniV/Shutterstock

Social Media Marketing

Social media, offering the ability to interact with consumers, often in real time, through social networks such as Facebook, YouTube, Google+, X, LinkedIn, Instagram, Snapchat, TikTok, Pinterest, and blogs, adds a new dimension to relationship marketing, making it more immediate and interactive. Social media is formally defined as a form of online media that allows members to create their own network of friends and contacts to share comments, articles, opinions, videos, and images as a form of self-expression.

Social media provides consumers with the ability to interact with marketing messages by posting comments that are visible to all. This open environment encourages companies to be more transparent and interactive in their communications while simultaneously developing stronger, more trustworthy relationships.

Social media marketing is when brands reach out to consumers online through social media networks. Brands can take various approaches with social media. A brand can place ads on social networks that accept advertising to increase awareness and can hire social media community managers to deploy social media programs and to monitor, measure, and respond to questions, comments, and inquiries.

Social media marketing allows the brand to authentically connect with its audience on a personal level, humanizing the brand. While the popularity of social networks can rapidly change due to the ease with which consumers gravitate to different platforms, the most popular social networks in Canada today are Facebook, LinkedIn, Instagram, TikTok, X, and Snapchat, plus numerous other niche social networks.[50]

Nike provides an excellent example of a very active brand on social media. With 35 million Facebook followers and 150 million Instagram followers,[51] Nike has fairly strong consumer engagement. With several Facebook pages, one for Nike Corporation and others focused on dedicated areas of business (for example, Nike Football and Nike Golf), Nike's fan bases are segmented based on their interests. The dedicated sports pages are normally updated daily, while the corporate site is updated less often. Postings will typically attract a few thousand likes, thousands of shares, and a few hundred comments. Nike also benefits from athletes who tweet and post content about Nike, creating even more interest and offering Nike even more content.[52]

Augmented Reality

Augmented reality (AR) is a relatively new technology combining things in the real world with computer-generated information. It allows people to enjoy experiences that are often more immersive than the real world alone offers.

Ford wanted to stay competitive in the Canadian sport utility vehicle (SUV) market and knew doing so meant reaching out to a younger-than-average demographic. It worked with Snapchat to make an AR filter related to its EcoSport mini-SUV that featured, inside Snapchat, a true-to-life 3D model of the car. Users could position and scale the car anywhere in their immediate environment, discovering both the internal and exterior aspects of it. Ford did not publish sales figures linked to this campaign, but it was the first AR vehicle marketing campaign in the Canadian market. That fact helped both media outlets and the public realize the car company is not afraid to take chances to reach its audience.[53]

Experiential Marketing

Marketers often embed experiential marketing approaches within their marketing programs to create buzz and, in many cases, a focal point for social media programs. **Experiential marketing** is an approach where marketers create fun and memorable opportunities for consumers to directly interact with a brand.[54] The consumers (and the company) will spread the word about their experience through social media. This approach can build awareness and generate word-of-mouth buzz and other forms of publicity for the brand. The brand goes from being passive to actively interacting with the target market. A brand can follow a number of approaches with experiential marketing, often using a combination of public relations, event marketing, and promotions to break through the clutter of competing marketing messages.

In the future, experiential marketing is expected to evolve and become more sophisticated. The mainstream use of virtual reality creates an additional platform for customer interaction. Pop-ups are an effective tool to reach niche customers by setting up in very specific locations. Nike launched the SNKRS XPRESS, a remodelled streetcar, outfitted with its newest models of sport and running shoes. The streetcar travelled the streets of Toronto and other North American cities during the 2016 NBA All-Star Game. Customers could try on and ultimately buy the new shoe styles during the 25-minute trip around Toronto.[55]

Inventive outdoor marketing will interact with customers in a more engaging way. Lego has been successful installing Instagram-ready bus stop displays, where customers can superimpose themselves into a Star Wars scene, choosing the “dark side” or the “light side,” and posting to Instagram using the hashtag indicating their choice.[56] The integration of live streaming also adds another touch point.

Companies such as Nestlé have used Periscope, a video-streaming service from X, to stream real customer experiences with their products. Periscope will automatically post a link to the video from the customer’s X account, extending its reach. Nestlé was the first to use Periscope, focused on its Drumstick ice cream product, with its #FirstDayofSummer campaign. The campaign generated more than 5,000 views and more than 50,000 hearts (indicating approval) in just over 12 hours.[57]

Influencer Marketing

Influencer marketing plays a major role in all types of modern marketing. But businesses are no longer limited to major celebrities and names that everyone knows when deciding to work with an influencer. Micro-influencers have found their niche in social media marketing to convert leads, connect with audience members, and boost brand awareness. Micro-influencers are social media promoters with a smaller, niche following (typically thousands to tens of thousands of followers). Although they have fewer followers, their followers have a higher level of engagement. Also, they are considered “average” or “everyday” people, so their followers are more likely to trust their opinions or recommendations. True influence is in engagement rates measured by clicks, subscribes, and ultimately purchases.[58]

Partnership Marketing

Partnership marketing has gained momentum over the last few years with companies providing customers with added value through complementary promotional offers. The intent of **partnership marketing** is to create formal associations between brands that will result in incremental business for both brands that could not have been achieved separately.

Partnership marketing, also referred to as *affinity marketing*, is rooted in the idea that brands with similar customers can combine marketing expertise and use each other's strengths to build brand awareness and incremental revenue streams among a larger audience. The challenge lies in finding appropriate partners, setting realistic goals, tracking results, and aligning partnership goals with business objectives.[59]

Brand partnerships (sometimes referred to as *cobranding*) can manifest themselves in many ways. Nutella has mastered the brand partnership by integrating its delicious hazelnut and chocolate spread as a key ingredient in the product offerings of its partners. Rather than being satisfied with its role as a take-home spread from the grocery store, Nutella has partnered with Tim Hortons to offer a Nutella doughnut as well as Nutella-filled pastries. Nutella has also partnered with Longo's grocery store chain in Ontario, with pop-up kitchens making crepes with Nutella filling.[60]



A strategic alliance between Scotiabank and Cineplex Entertainment created the SCENE loyalty card.

Used with permission of Bank of Nova Scotia

Another form of partnership marketing, with a longer-term focus, is the **strategic alliance**. This involves long-term arrangements between companies with similar values and objectives that extend beyond short-term promotional offers into long-term business agreements.

An example of a strategic alliance exists with the SCENE loyalty movie rewards program where Cineplex Entertainment and Scotiabank formed a long-term arrangement to benefit both companies. SCENE members collect points when purchasing Cineplex Entertainment tickets or concession items. Points can be redeemed for free movies or snacks. Scotiabank Visa

credit card holders earn additional points when paying with their Scotiabank Visa card. There are over 7 million SCENE members, many of them between the ages of 18 and 34, a much-desired demographic for the banking industry.[61]

Metrics and Analytics

The Canadian business world is a performance-based culture that uses metrics and analytics to improve programs and deliver better results. A key role of the marketer is to collect and analyze metrics to make better brand decisions. Digital technology has resulted in a deluge of data that challenges marketers to interpret and manage. Easy-to-use software gathers the data, sorts it into actionable areas for increased focus and analysis, and flags elements that require immediate attention. Robust paid analytics platforms can be provided by companies such as IBM and Salesforce with their analytics platforms, or through free metrics platforms such as Google Analytics and Social Mention.

Metrics and analytics software can measure and track online sales and drill down into the origin of each sale. It can also measure website interactions such as unique visitors, time on site, page views, returning visitors, newsletter signups, and digital downloads. It can measure the effectiveness of online advertising campaigns, as well as the impact of social media programs.

In the social media sphere, for example, analytics platforms can collect data that measure online buzz, identify positive and negative sentiment, and point to online brand advocates. It can flag online conversations about a brand, keep an eye on competitor sentiment, and track topics of interest, whether they are on blogs, social networks, video-sharing sites, photo-sharing sites, or the websites of mainstream media. Importantly, this data can be combined with a marketer's costing information so that financial insights can determine costs per click, costs per conversion, costs per interaction, and ultimately, the return on investment (ROI) of specific programs.



Metrics and analytics provide important measures of performance.

©triloks/iStock/Getty Images

In the offline marketing world, metrics and analytics are also important, again pointing to performance. Routine metrics are measured against marketing plan targets and look at elements such as sales, market share, profit margins, and profit levels. Program-specific metrics analyze individual marketing programs and measure performance against benchmarks and targets. These metrics can include elements such as ROI, awareness levels, ad recall, sales conversions, coupon redemption rates, contest entries, or media mentions, depending on the task at hand.

Metrics refers to numeric data that are collected and grouped to track performance. They are often presented in spreadsheets and dashboards, so the data are easy to understand and interpret. **Dashboards** visualize data using graphs, charts, and numbers so that the data is easy to use and understand. **Analytics** refers to the process of taking metrics data and applying

smart thinking and technology to gain actionable insights that can help produce better business decisions. An analytics platform helps answer questions, provides customer insights, and predicts patterns that can improve marketing performance. Analytics can help marketers to segment customers, plan and forecast, manage risk, and take corrective action.

Marketers are challenged to use metrics and analytics to better understand how to build better customer relationships. Metrics, analytics, and types of data are covered in more detail in **Chapter 4**.

Marketing Regulations and Ethical Considerations

In Canada, regulations are put in place to safeguard people, communities, and the environment from businesses that may not have their well-being in mind. These regulations can take many forms, such as pollution-emission thresholds, water safety guidelines, food and safety regulations, advertising standards, competitive guidelines, and telemarketing regulations, just to name a few. The Government of Canada sponsors a website that collects and distributes information on product recalls in Canada. It can be accessed at **http://healthycanadians.gc.ca/**.

Consumer privacy is a growing concern for Canadians. Security breaches have occurred at companies such as Facebook, Google, and other leading brands and have led consumers to become concerned about their confidential online data. Privacy regulations have been enacted with increased fines to improve data privacy.

An example of one of the most significant cases of an online personal information security breach in Canada is that of LifeLabs in British Columbia and Ontario in 2019. LifeLabs is Canada's largest health care lab-testing firm, and the personal health information of nearly 15 million Canadians was stolen in a ransomware cyberattack. LifeLabs claimed it paid the hackers off to get the data back and said in an open letter to consumers that information including "names, addresses, emails, logins, passwords, date of birth, health care numbers, and lab test results" was taken.

LifeLabs offered one year of identity theft and dark web monitoring insurance to compensate those affected by the breach. Emerging technologies can help with these security challenges. New identity management and know your customer solutions are being developed that can improve security, reduce fraud, and improve insight about customers across multiple devices.

The evolution of digital technology has forced marketing associations and government bodies to revise and update legislation and implement new guidelines. New laws now protect consumers' rights to privacy and provide strict guidelines that marketers need to follow. Anti-spam legislation has also been put in place to regulate email marketing practices, while do-not-track policies have been created for online behavioural advertisers to use.

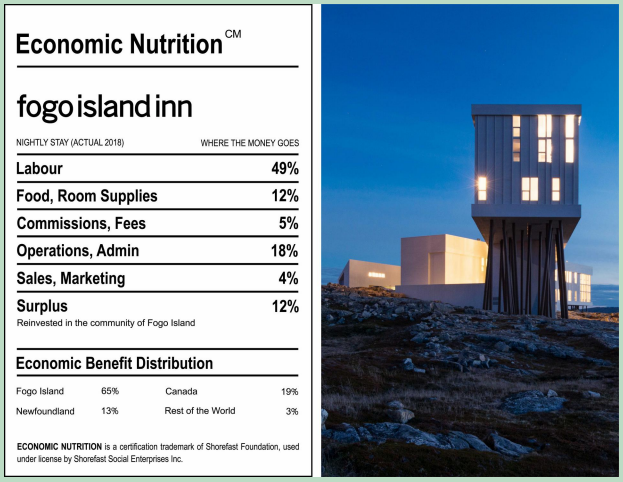
In addition, new industry associations and regulatory bodies have surfaced to control the wireless industry in Canada so that its marketing practices are ethical, legal, and transparent. **Chapter 2** reviews in more detail the regulations that govern marketing in Canada, and the Making Responsible Decisions box, **The Ethics of Greenwashing**, offers a case study of one current ethical issue in marketing today.[62]

Making Responsible Decisions

The Ethics of Greenwashing

Natural, organic, and recyclable options are increasingly demanded by millennials and Gen Z-ers. A 2019 study by *Harvard Business Review* found that brands that were marketed as sustainable were growing faster than

traditional competitors. This has led to the increased use of buzzwords such as *sustainable*, *eco-friendly*, and *green* to claim the ecological advantages of products or services. Hospitality as well as food and beverage companies often focus on promoting achievements in saving water and electricity or reducing greenhouse gas emissions, either directly or along their supply chain. Hotel customers may be offered the option of not having their bedding or towels changed on a daily basis.



Fogo Island Inn

Companies that decide to participate in “green marketing” tend to be under constant scrutiny by consumers. Sadly, some initiatives hailed publicly as sustainable often just act as a smokescreen to divert public attention from business activities that remain, at their core, harmful to the planet. This heightened public sensitivity means that more and more firms get caught using fluffy marketing terms and advertisements that paint them in a greener light than their activities merit. The confusion and deception felt by consumers who are victims of greenwashing can lead to decreased brand loyalty and a loss in brand equity.

Over the next few years it will be crucial for companies to stay true to their environmental policies and messaging. A shift toward a circular economy in which products are made from recycled and recyclable substances and consumers are actively educated, encouraged, and assisted to re-use materials, is inevitable for any business that wants to be a true driver for positive change.

According to a publication by the Cambridge Institute for Sustainability Leadership, the tourism industry is responsible for about 5 percent of current greenhouse gas emissions. With numbers of travellers and hotel rooms booming, this number is set to increase by 130 percent by 2035.

Due to the heavy investments needed to update existing locations and inherently low profit margins compared to other industries, hotels and restaurants have been rather slow in adopting sustainable business practices. By 2050, hotels will need to reduce emissions per key by 90 percent to be in line with the Paris Climate Agreement. Public and political pressure on the sector is rising to implement significant changes in coming years.

A worldwide gold standard for sustainable tourism in Canada is the Fogo Island Inn in Newfoundland. Zita Cobb and her team have created a social enterprise with the inn at the heart of it—a revolutionary business project that effectively saved a community that was in danger of disappearing.

The hotel is effectively owned by the community; all profits fund micro-lending projects, including greenhouse workers who supply the restaurant, and workshops where furnishings are fashioned by local artists who also run

painting, still-life drawing, or found-object collage workshops at the inn. Five stunning, light-filled studios have been built for artists to seek inspiration from nature at its most dramatic.

In the construction of the hotel, locally sourced, sustainable building materials were chosen whenever possible; the entire steel frame is well insulated; rainwater from the roof is collected for use in toilets, laundry, and kitchen appliances; and wood-fired boilers and solar panels are used for hot water and underfloor heating. The result is a building that manages to stand out, yet remains distinctly part of its Newfoundland home. Though it fulfills the role excellently, it's much more than a luxury stay; the inn stands as a statement of the revival of an entire cod-fishing community left behind by industrial modernization.

Zita Cobb sums up her vision beautifully:

> But I really think it has a lot to do with the fact that, as humans, we're trying to ask better questions—and one of those better questions is—what is a better relationship between business and community? And how do we use business in a way that strengthens the most important things, like nature and culture? So I think that it's a good sign, it's a signal, that we're just better aware.

Questions

1. What are the ethical considerations surrounding greenwashing?

2. Do you think that the hospitality industry and hotels like the Fogo Island Inn will ultimately win?

In addition to government regulations, many companies, industries, and professional associations have guidelines and codes of ethics that provide direction to employees and members on activities that are considered unacceptable. The Canadian Marketing Association (CMA) is the professional body for the marketing industry, and its guidelines, codes of ethics, and educational programs help shape marketing in Canada.

The CMA provides input on legislative issues such as Canada's anti-spam legislation (CASL) and digital advertising do-not-track guidelines. The CMA has dealt with policy issues concerning telemarketing regulations, electronic commerce, and consumers' right to privacy. It has hundreds of corporate members, including major financial institutions, insurance companies, manufacturers, publishers, retailers, charitable organizations, agencies, relationship marketers, and those involved in ebusiness and digital marketing.

The Canadian Marketing Association provides excellent resources for marketers.

Used with permission of Canadian Marketing Association

The CMA has a code of ethics to which all members must comply. Its purpose is to encourage high marketing standards that are honest, truthful, accurate, fair, and professional. The code of ethics covers topics such as accurate representations, truthfulness in marketing communications, price claims, fulfillment practices, privacy, marketing to children, and marketing to teenagers. It also provides direction on direct marketing practices, sales promotion, public relations, and media usage. Navigate to the CMA code of ethics on its website at **www.the-cma.org** to review the details in this important document.

The CMA website also contains a wealth of information for marketers with practical guides, best practices, white papers, case studies, news releases, job postings, and information on its educational courses and conferences. CMA student

memberships are available at significantly discounted prices for students who are enrolled full-time in Canadian post-secondary education.

“ The CMA website also contains a wealth of information for marketers.”

Critical Thinking for Marketing

1. *What are the stages in the evolution of business philosophies?*
2. *What are the key components of a relationship marketing orientation?*
3. *In your own words, explain mobile marketing.*
4. *What is CSR?*

Marketing Careers

LO 7 Getting a job is usually a lengthy process, and it is exactly that—a process that involves careful planning, implementation, and evaluation. The starting point is to get an education and, while studying, to create a network of business professionals to contact upon graduation. Creating this network can be done through summer jobs, co-op placements, and internships. Network with guest speakers who may visit your school, involve yourself in on-campus clubs, and participate in volunteer opportunities.

Have you created a promotional plan, a research report, or a marketing plan in your classes? Throughout your education, gather samples of your work to develop a portfolio. These artefacts act as a demonstration of your knowledge and abilities. All of these methods provide opportunities to meet professionals in the marketing field and gain exposure to the marketing discipline. Despite these strengths, you still need to market yourself.

The process of getting a job involves the same activities that marketing managers use to develop and introduce products and brands into the marketplace. The only difference is that you are marketing yourself, not a product.

Start by conducting a personal SWOT (strengths, weaknesses, opportunities, threats) analysis. SWOT analyses are used by business to assess themselves and develop strategies. (See Chapter 15 for more information on SWOT analysis.) Ensure that you understand your strengths and what differentiates you from the competition. Conversely, what areas do you need to improve to increase your chances in the job market—these are your weaknesses. Consider how you are currently perceived and how you want to be perceived.

What opportunities exist in the marketing field? As in any field, it is somewhat dependent on the strength of the economy, but entry-level marketing jobs exist for college and university graduates. Entry-level positions exist in sales, marketing, and promotions in a variety of fields.

Job titles vary from company to company, but typical jobs include marketing coordinators, marketing analysts, marketing assistants, sales representatives, and account coordinators. These entry-level jobs usually include on-the-job training, liaison with other departments within the company, exposure to marketing program development, and the potential to move

up within the organization. Areas of growth are in promotions and digital marketing services.

Opportunities exist in creating your own business, as well as working in small, medium, and large organizations in the private sector, in the non-profit sector, or in the government. In the private sector, marketers are required in consumer marketing and in the business-to-business market.[63]

What threats exist? Are there certain industries that are cutting back? Do other job candidates possess sought-after skills?

Once you have completed this research, create a game plan. Select a target market—those job opportunities that match your goals and strengths. Now, create the marketing mix or 4 Ps to position your personal brand to that target market. The *product* is you and the skills, experience, and competencies that you have to differentiate your personal brand. *Price* is the salary range you are seeking. *Promotion* is communicating with potential employers electronically, in writing, or in person. *Place* focuses on where you will interact with employers—online, career fairs, or through your career centre.

Be sure to also bookmark Canadian marketing job-search websites and to track job postings. Examples of sites that have job postings include **www.iabcanada.com**, **www.strategyonline.ca**, **www.the-cma.org**, **www.mediajobsearchcanada.com**, and more general job search sites such as **www.workopolis.com** and **www.indeed.ca**.



The Canadian Marketing Association has a job bank that can be used by its members.

Used by permission of Canadian Marketing Association

Students wanting to get into the marketing field need to be analytical, be able to work with others, be capable of working in teams, and have strong communication skills in both

written and verbal contexts. They must be competent with technology, be able to problem-solve, and not hesitate to drill down into data analysis. As a marketer, you need to keep your finger on the pulse of the consumer. This requires you to stay current and to be intellectually curious. Marketers need to read online web portals, blogs, newspapers, and magazines; follow social media sites; attend conferences and webinars; surf the Internet, watch TV and listen to the radio; and absorb the trends that are evolving in society and around the world.

Publications such as *Strategy* magazine (**www.strategyonline.ca**), *Canadian Business* (**www.canadianbusiness.com**), and *Maclean's* magazine (**www.macleans.ca**) are highly recommended, as is subscribing to the *eMarketer* (**www.emarketer.com**) online newsletter. Daily newspapers such as the *Globe and Mail* (**www.globeandmail.com**) and *National Post* (**www.nationalpost.com**) are good up-to-date sources of business and marketing news.

Marketing is an exciting area where change is the norm and being able to rise to the challenge is imperative. Learn the fundamentals through education and apply your knowledge by working in the industry.

Summary...just the facts

LO 1 • The role of marketing is to focus on consumer needs and to generate revenue, profits, or support for an organization.

- Successful marketing focuses on customer needs and wants and developing programs that engage consumers and inspire customer loyalty.

LO 2 • The marketing mix, also known as the 4 Ps, consists of product, price, place, and promotion.

- Product refers to all the attributes that make up a good, a service, or an idea. Product elements include areas such as product design, product features, colour, packaging, warranty, and service levels.
- Price refers to what is exchanged for a product, including the expected regular retail or sale price.
- Place is the way in which your product gets to the customer, including the distribution channels, retail formats, and merchandising used to sell a product.
- Promotion refers to the tools needed to communicate with customers about a product, including advertising, public relations, sales promotion, direct response, event marketing, sponsorship, online approaches, and personal selling.

LO 3 • The marketing process follows three main steps: (1) identifying consumer needs, (2) managing the marketing mix to meet consumer needs, and (3) realizing revenues or profits.

LO 4 • A product in marketing can be a good, a service, or an idea. A good is a product you can touch and own. A service is a product that is intangible that you cannot touch. An idea is a concept that typically looks for support.

LO 5 • The evolution of marketing has progressed from a production orientation stage, to a sales orientation stage, to a marketing orientation stage, and finally to a relationship marketing stage.

- Important areas of the relationship marketing stage are customer relationship management (CRM) and corporate social responsibility (CSR).

LO 6 • New and evolving marketing practices have surfaced in the areas of (1) digital marketing, including content marketing, mobile marketing, and social media marketing; (2) augmented reality; (3) experiential marketing; (4) influencer marketing; (5) partnership marketing; (6) metrics and analytics; and (7) new marketing regulations and ethical considerations.

- The Canadian Marketing Association (CMA), the professional body for the marketing industry, responds to legislative issues and sets guidelines on responsible marketing practices.

LO 7 • The starting point of a marketing career is to get an education and, while studying, to create a network of business professionals to contact upon graduation. Careers exist in sales, market research, advertising, promotions, marketing analytics, and brand management.

- The process of getting a job involves the same activities that marketing managers use to develop and introduce products and brands into the marketplace. The only difference is that you are marketing yourself, not a product.

Key Terms and Concepts...a refresher

analytics

content marketing

corporate social responsibility (CSR)

customer lifetime value

customer relationship management (CRM)

customer value proposition

dashboards

digital marketing

exchange

experiential marketing

good

greenwashing

idea

market

marketing

marketing mix

marketing orientation

marketing process

metrics

mobile marketing

need

partnership marketing

place

price

product

production orientation

promotion

relationship marketing

sales orientation

service

share of wallet

social media

social media marketing

societal marketing concept

strategic alliance

target market

want

Hands-on... APPLY YOUR KNOWLEDGE

Marketing Mix Assignment Hush has experienced success launching new products and connecting digitally with its customers. Review the opening vignette on Hush and then brainstorm a new marketing mix for a premium line of products designed for a premium customer segment. This could include: new forms of content marketing, social media marketing, mobile marketing, and partnership marketing. Outline the new marketing mix under the headings Product, Price, Place, and Promotion.

Chapter Vignette… ACTIVITY

This chapter’s opening vignette examines Hush's approach to marketing. Brainstorm in groups the idea of evolving Hush into an internationally recognized brand. What new products would you consider? What means of distribution need to be created? What role would culture play in your decision making? Would CSR be part of your plan?

Marketing YOU

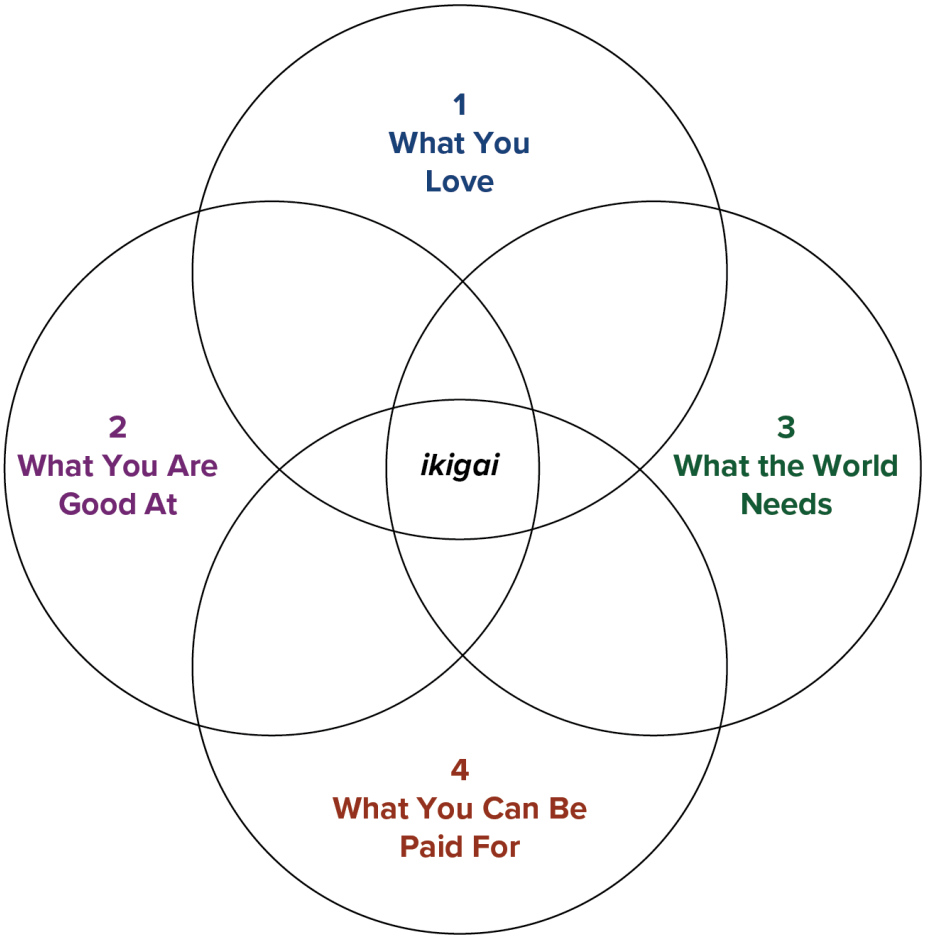
The activities a Marketing Manager engages in to launch a product or service into the world are similar to the activities that successful students engage in when launching themselves into the world of work.

How do you begin Marketing YOU? The path forward may be confusing. Maybe you have decided on a career but are not sure how to get there. You may be dreaming of a career that allows you to use your strengths to make a difference and that will also bring you financial security. How do you move forward? The key is to understand you—and that is something you already know about! With some reflection you can unlock additional self-understanding to guide you on your meaningful career journey.

The ikigai framework is an approach that can help you uncover what is meaningful to you. *Ikigai* (pronounced ee-key-guy) is a Japanese word that comes from the word *iki,* meaning life and the word *kai,* meaning the realization of hopes and expectations. The meaning of these two words together is roughly, a reason for being or a sense of purpose.

The following Venn diagram is one interpretation of how you can uncover your purpose, or ikigai, by answering the questions in each of the four circles in the diagram. Where these four circles intersect could lead you to uncover your reason for being, guiding you as you decide on the next steps in your career journey.

- Circle 1: What You Love
- Circle 2: What You Are Good At
- Circle 3: What the World Needs
- Circle 4: What You Can Be Paid For



Throughout this textbook there are activities to help you discover your ikigai. There are steps to follow, questions to answer, and activities to complete that will reveal details you can add to your own ikigai diagram. Create your own ikigai diagram to capture your answers. The next chapters will walk you through ways to reflect on the questions from each of the ikigai circles.

Let's review the ikigai diagram in more detail. Circle 1, labelled What You Love, refers to your interests and passions, and the values you hold close. Circle 2 is labelled What You Are Good At and refers to your natural talents, skills and knowledge. Circle 3 is labelled What the World Needs and requires you to think about your most important concerns about the world and how your unique strengths and qualities might play a role in addressing them. Circle 4 is labelled What You Can be Paid For. This refers to identifying the skills and the well-paid jobs that will be in demand in the future. To achieve a meaningful career, having all four circles intersect is optimal. A meaningful career is one that allows you to do what you love, what you are good at, be well-paid to do it, and solves or addresses something that the world needs.

Here's an example. Prerna is a marketing student who is drawn to a social issue that concerns her—the refugee crisis. She is aware of an organization called Choose Love that has pop-up stores that sell kids' coats, winter boots, and

sleeping bags. At the pop-up store, you choose what you wish to buy and then you "leave with nothing as each purchase you make is sent to someone that truly needs it."[64]

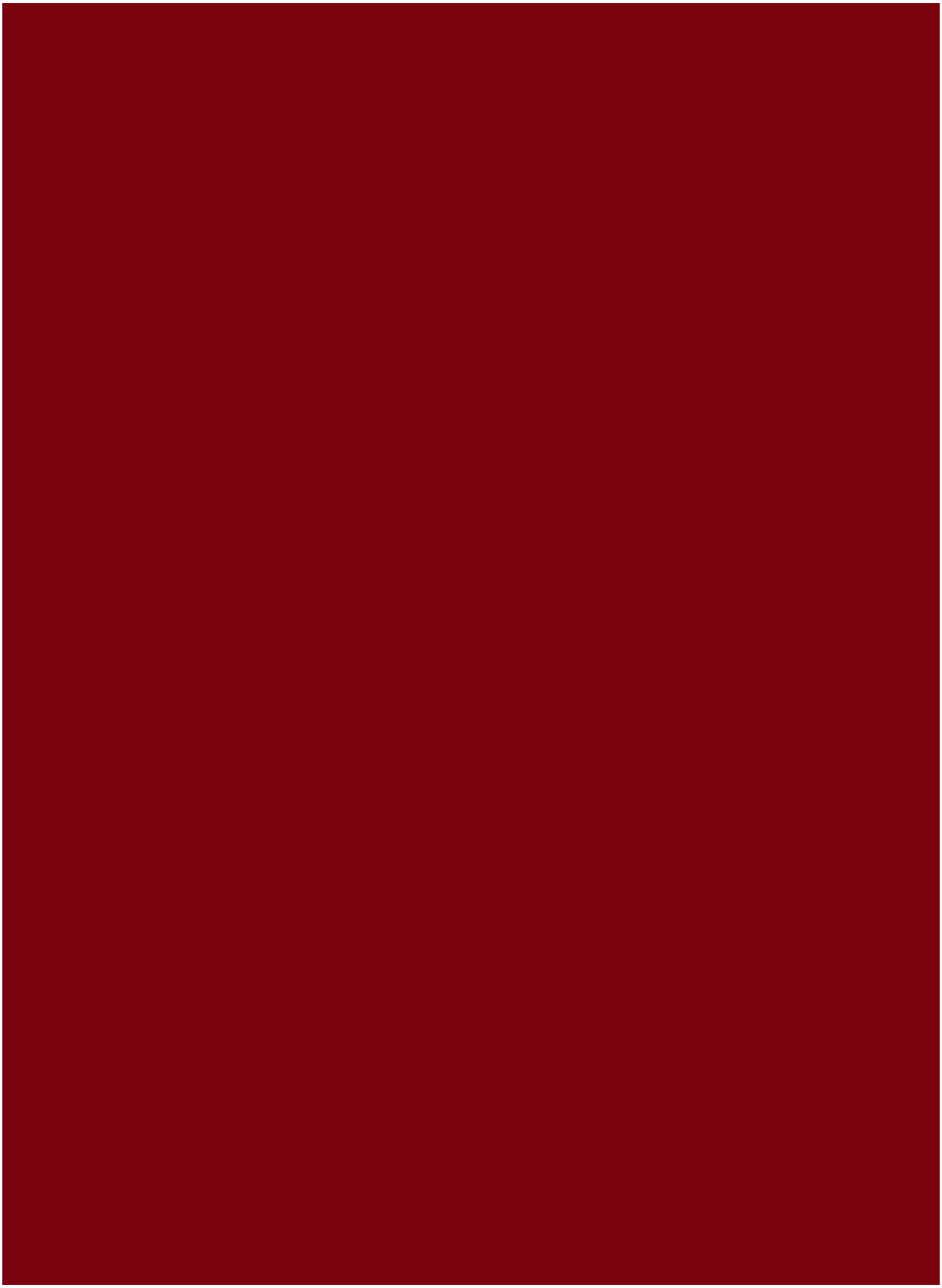
Prerna realizes that the company has an engaging website and would employ digital marketers, graphic designers, and content writers. And those are the type of skills that Prerna is really good at and loves to do. Applying to work at Choose Love could be an opportunity for Prerna to bring her talents to an organization that aligns with her values. She could be paid to do what she loves and is good at, while working at an organization that is providing what the world desperately needs, lining up with her ikigai or reason for being.

Activity:

Rate your Career Clarity:

- Unclear
- Still Exploring
- Pretty Certain

Once you have rated your career clarity consider why you have selected the answer that you selected. Are you beginning your academic program and therefore still unclear? Are you exploring and taking different courses to identify the subjects you are interested in? Or are you certain of your career choice based on information you have already collected?



Chapter 2
The Marketing Environment



Radharc Images/Alamy Stock Photo

LEARNING OBJECTIVES

- **LO 1** Explain the importance of an environmental scan and how it is used to improve marketing initiatives
- **LO 2** Describe the elements of an environmental scan and summarize the trends affecting each area
- **LO 3** Outline the current social influences that affect marketing approaches
- **LO 4** Explain how changes in the economic environment influence consumer purchase behaviour
- **LO 5** Discuss the technological developments shaping current marketing practices
- **LO 6** Describe the different forms of competition and the regulatory forces that shape marketing decisions
- **LO 7** List the steps in an environmental scan

CHAPTER OUTLINE

- Canadian Broadcasting Corporation (CBC)
- Marketing environment
- Social forces
- Economic and technological forces

- Competitive and regulatory forces
- Steps in an environmental scan

CHAPTER FEATURES

Ukrainian Consumers in Canada

Ukrainian Canadians influenced consumption in Canada and continue to today.

The Little Black Book of Scams

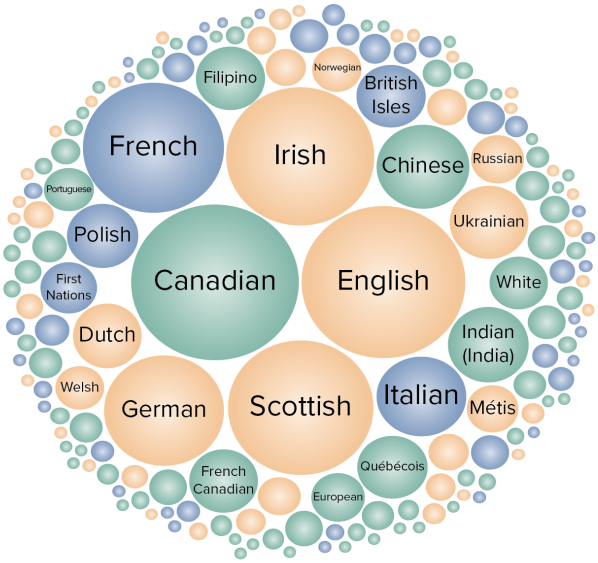
The Competition Bureau helps consumers recognize and ultimately avoid scams.

The impact of the external environment is a key component of the strategic planning process for most companies. This chapter focuses on understanding the marketing environment and how it provides marketers with direction on the development and marketing of new products, as well as the successful marketing of current products. We start by looking at the very rapid change in the external business environment for the Canadian Broadcasting Corporation (CBC). The CBC is a Crown Corporation, governed by the *Broadcasting Act* of 1991.[1] The CBC's mandate includes being the country's public broadcaster that "informs, enlightens, and entertains."[2]

Nothing has had more impact on the CBC's business over the last few years than a monumental change in consumer media behaviour, choice, and consumption preferences. In 2021, adults over the age of 18 spent 5 hours and 26 minutes on digital media, as opposed to 4 hours and 44 minutes on traditional media. This gap is expected to continue to grow with more time being spent on digital media and less on traditional over the coming years. This is in stark contrast to the situation in the fall of 2012 where more people consumed traditional media, 6 hours and 34 minutes per day, than media on the internet, 2 hours and 34 minutes per day. What happens to a company when its major activities are affected by such a significant external shift?[3]

Let's look at the range of external factors that the CBC needs to consider, now and going forward, to be successful:

Most common ethnic or cultural origins reported by the population, Canada, 2021



Note(s): The size of the bubble is in proportion to the number of total responses for a given ethnic or cultural origin. The colour of the bubble represents the proportion of single responses for a given ethnic or cultural origin grouped into tertiles.
Source(s): Census of Population, 2021 (3901).

Source: Statistics Canada, "Canadian tops the more than 450 ethnic or cultural origins reported by the population of Canada," www150.statcan.gc.ca/n1/daily-quotidien/221026/g-b001-eng.htm.

Social factors: The number of Canadian citizens and new immigrants continues to grow each year. However, the makeup of citizens is changing. The 2021 Canadian census reported that almost 1 in 4 respondents are, or have been, a landed immigrant or are permanent residents. This new immigrant increase is the largest amongst G7 countries and the highest in about 100 years. This shift is expected to continue. Estimates suggest that by 2041, half the Canadian population will be immigrants or children of immigrants, 40 percent will be part of a racialized group, and most of these individuals will continue to mostly settle in the large cities of Montreal, Toronto, and Vancouver.[4]

As demographic patterns change with additional new immigrants settling and growing families in Canada, so too will **socio-cultural** changes occur. Religious beliefs have shifted in Canada over the last 20 years. In 2001, 77.1 percent of Canadians identified as Christians while in 2021, that had fallen to 53.3 percent. A lack of religious affiliation has increased during that same period, from 16.5 percent to 34.6 percent.

Ethnic and cultural origins are also not equally spread out across Canada. Different regions hold different proportions of cultural origins.[5]

These changes have impacted the makeup of Canadian ways of knowing. This movement directly impacts the CBC's need to adjust its product mix to meet the demands of the changing population.

Economic factors: Canadian spending levels are somewhat volatile, up one month and down the next. Overall household spending in 2021 outgrew the previous high in 2019. The downturn spending in 2020 was the result of the COVID-19 pandemic.[6]

Although the pandemic limited overall spending in Canada, the success of the media economy continued to remain stable. Growth was seen in digital media such as music/video services, online gaming, and online advertising. In fact, media giants in the GAFAM+ group (Google, Amazon, Facebook, Apple, Netflix) increased revenue between 2019 and 2020 from $9.4 billion to $10.9 billion.[7]

Technological factors: With the proliferation of smartphones and the Internet, consumers no longer want to wait for television programs to be released one episode at a time. Rather, they are binging television series in sequence. About 75 percent of Canadians admit to binge watching a series—that is, watching two or more episodes of a TV show in one sitting. Consumers are also developing their own content. A smartphone and a computer are all people need to create their own material. The days of relying solely on large studios and immense budgets to create appealing content are over.[8]

Competitive factors:

The use of over-the-top (OTT) technology has permeated the broadcasting landscape. OTT refers to consumers accessing content via the Internet or through mobile applications. Netflix and Amazon Prime, for example, are over-the-top providers. These companies do not pay broadcasters, such as the CBC, to play their programs on traditional television. In fact, users, have been abandoning traditional television subscriptions for these OTT options. In 2019, there were 8.7 million pay-for-TV households in Canada. That number is expected to fall to 7.4 million by 2023. OTT user penetration was expected to reach 89.1 percent by 2022.[9]

Regulatory factors: The CBC is governed by the *Broadcasting Act of 1991*. This act outlines the mandate of the CBC and allows for the Canadian Radio-television Commission to regulate the public broadcaster. Funding comes directly from the government and other revenue generating initiatives. The government gave the CBC $1.4 billion in 2021, with $500 million coming from other revenue sources. Government funding, however, is decided based on the budget of the federal government in power. Thus, a change in government may lead to increases or decreases in revenue for the CBC.[10]

In 2022, the Government of Canada proposed the *Online Streaming Act* to update the *Broadcasting Act*. This act takes into account the changing media landscape and the need to regulate online streaming similarly to other traditional content. The act aims to include more diverse content and Indigenization.[11]

THE SHIFT AT THE CBC

The CBC released a new strategic plan led under then newly appointed President and CEO Catherine Tait. The strategic plan focused on 5 pillars:

1. Customized digital services
2. Engaging with young audiences
3. Prioritizing local connections
4. Reflecting contemporary Canada
5. Taking Canada to the world[12]

These five pillars, working together, were designed to address some of the changes in the CBC's external environment.

On the digital front, CBC launched CBC Gem, a streaming platform, similar to Netflix, that allows Canadians access to on-demand and live programming. They also developed Mauril—a mobile app that helps people learn French and English.[13]

For young audiences, CBC partnered with ABC, the Australian public broadcaster, to fund new animated projects in Australia and Canada. The CBC has also given educators access to Curio, an educational resource. This platform allows teachers to leverage thousands of hours of audio and video, organized based on school program, to use as part of their students' learning experience.[14]

In April 2022, CBC announced an investment in local journalism by posting 14 journalism jobs across Canada. As part of that initiative, the CBC was looking to hire two Indigenous journalists, one in Saskatchewan and one in Manitoba.[15]

To reflect contemporary Canada, CBC Manitoba launched CBC Pathways. This program helps train emerging diverse journalists who do not have experience in a newsroom or formal journalistic training. The broadcaster has also developed viewer content reflecting the history of different peoples. For example, *The Village: The Montreal Murders*, was released in 2022. This podcast explores the murder of 17 gay men in the early 1990s and the impact on the Queer community of Montreal.[16]

Finally, CBC's globalization strategy includes partnerships with international broadcasters. In 2022, the CBC and BBC, the British Broadcasting Corporation, announced a collaboration developing three original podcasts. The goal of this collaboration is to create exemplary quality content for users across the globe.[17]

reality CHECK

As you read Chapter 2, refer back to the CBC vignette to answer the following questions:

- Which major environmental changes have impacted the CBC?
- What new services do you think that the CBC should offer to continue to meet consumer needs? What current services should they cease?

The Marketing Environment

LO 1 Marketers and consumers do not function in a vacuum, and marketers understand that successful marketing programs must reach out and address changes and new opportunities in the marketplace. In the CBC example highlighted in this chapter's opening vignette, the combination of a significant increase in the use of digital media and a changing Canadian demographic landscape created a big threat to the continued relevance of the CBC for many Canadians.

With traditional competitors such as GlobalTV and CTV, as well as nontraditional competitors such as Netflix and Amazon Prime, adjusting to meet these new demands, CBC had to forge a new path. To serve its changing audience, CBC required a larger variety of diverse programming and new ways to access it. This evolution is changing the public's perceptions of the CBC and altering CBC's place in Canadian culture.



CBC Gem is a streaming service launched to compete with Netflix and Amazon Prime.

THE CANADIAN PRESS IMAGES/Don Denton

Marketers constantly monitor the marketing environment with a view to capitalizing on new opportunities and curtailing potential threats that may challenge their businesses. In short, marketers scan the marketing environment in five key areas: (1) social forces, (2) economic forces, (3) technological forces, (4) competitive forces, and (5) regulatory forces. This chapter looks at developments in these areas, providing a variety of examples that demonstrate how noting and responding to these changes can result in more effective marketing programs.

The environmental scan is an important tool that is part of the strategic planning process and is part of the situation (SWOT) analysis that organizations conduct on a regular basis. The external environment must be considered along with the organization's internal strengths and weaknesses.

"Successful marketing programs must reach out and address changes and new opportunities in the marketplace."

Situation (SWOT) Analysis

The essence of **situation analysis** is taking stock of where the firm or product has been recently, where it is now, and where it is headed in terms of the organization's marketing plans and the external forces and trends affecting it. An effective summary of a situation analysis is a **SWOT analysis**, an acronym describing an organization's appraisal of its internal **S**trengths and **W**eaknesses and its external **O**pportunities and **T**hreats.

The SWOT analysis is based on an exhaustive study of four areas upon which the firm builds its marketing program:

- Identify changes and trends in the organization's industry.
- Analyze the organization's current and potential competitors.
- Assess the organization itself, including available resources.
- Research the organization's present and prospective customers.

The task is to translate the results of the SWOT analysis into insights that inform specific marketing actions. The ultimate goal is to identify the *crucial* strategy-related factors that impact the firm and then build on vital strengths, correct glaring weaknesses, exploit significant opportunities, and avoid disaster-laden threats.

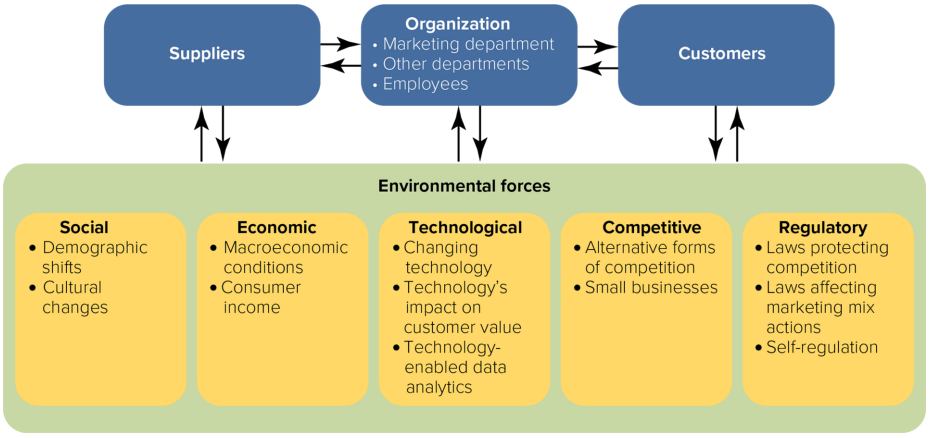
An Environmental Scan

LO 2 An **environmental scan** is the process of continually acquiring information on events occurring outside an organization and to identify external trends. These trends may be opportunities or threats to a business. Marketers use this knowledge to ensure that goods, services, and ideas are relevant and meaningful in conjunction with the external environment in which the organization operates.

An environmental scan is often the first step in developing a more extensive SWOT analysis. A SWOT analysis (**S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats) is discussed in more detail in **Chapter 15**, but in simple terms, it involves assessing how well a company is servicing its businesses and/or consumers by assessing an organization's internal strengths and weaknesses, as well as its external opportunities and threats (from an environmental scan).

This information is then used to set the future direction for a business and to lay the groundwork for competitive marketing programs. An environmental scan looks at five key external areas, namely social forces, economic forces, technological forces, competitive forces, and regulatory forces. The figure below addresses how external forces impact your organization and that of your suppliers and customers.

Figure 2-1 The interaction of the external environment with the organization, customers, and suppliers



An Environmental Scan of Today's Marketplace

What trends might affect marketing in the future? A firm conducting an environmental scan of the marketplace might uncover a number of key trends—from the growing popularity of online influencers, to the increasing application of virtual reality and augmented reality, to the surging scrutiny regarding the collection and use of consumer data.[18] These trends affect consumers and the organizations that serve them. External trends similar to these are described in the following discussion of the five environmental forces.

Social Forces

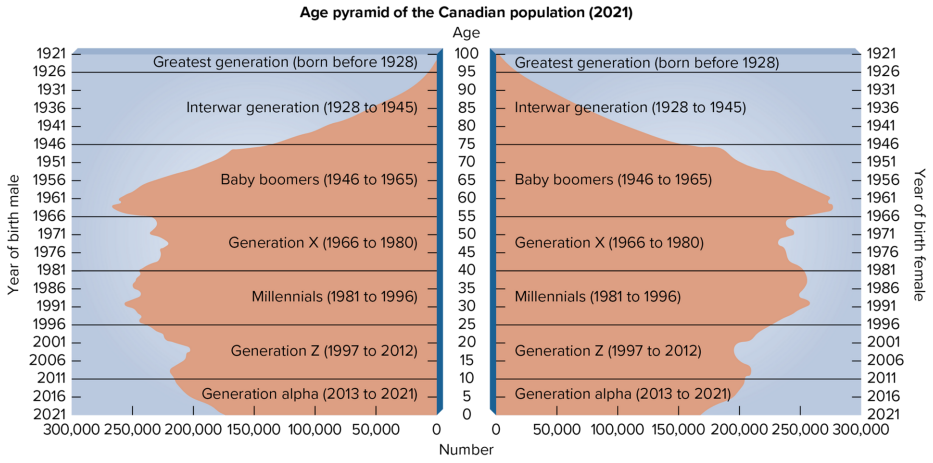
The **social forces** of the environment include the demographic characteristics of the population and its culture. Changes in these forces can have a dramatic impact on marketing strategy.

Demographic Forces

LO 3 The statistical study of populations is referred to as **demographics**. It looks at characteristics of a group of people, such as gender, age, ethnicity, income, education, and occupation. Marketers can access demographic information through Statistics Canada and through surveys and external databases. It is important for marketers to clearly understand changes that are occurring in the demographic arena to ensure that marketing efforts are well placed and opportunities are not overlooked.

Statistics Canada provides demographic data through its census information, which is collected every five years. The latest Census of Canada occurred in 2021 and it shows that the Canadian population is growing while also aging. In fact, Canada is the fastest growing nation of all those in the G7. Populations are increasing in city centres. And an increase in population growth is being seen in the Maritimes. Please see **Figure 2-2** for the Canadian population distribution based on age cohorts.[19]

Figure 2-2 Age pyramid of the Canadian population



Source(s): Census of population, 2021 (3901).

Source: www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021003/98-200-X2021003-eng.cfm

AN AGING POPULATION

The 2021 Census of Canada shows that Canada is populated by approximately 37 million people. There has been a significant growth in the population over the age of 65. For the second time in census history, the population over the age of 65 (7 million) outnumbers children under 14 (6 million). In addition, seniors represented 19 percent of the population in 2021 compared to 16.9 percent in 2016.[20]

Government agencies and marketers are taking note of these demographic changes and determining the needs of the aging market. Hospitals, for example, are reviewing the need for more orthopedic surgeons to conduct joint replacement surgeries; the health care industry is reviewing its home support service policies; and marketers of personal care items are creating more products for an older population, such as face creams that reduce the signs of aging, medicines such as Tylenol Arthritis Pain to relieve painful joints, and a large variety of vitamins and herbal supplements to maintain health.

DIVERSE GENERATIONS

A generation is a group of people who are bound together by similar events that they experienced as they grew up. Marketers note four main generational groups of consumers: Baby Boomers, Generation X, Generation Y (or millennials), and Generation Z. The definitions describing when these generations start and stop vary by publication and researcher. Keep in

mind that although the specific birth dates are inconsistent depending on the source, the characteristics of each generational group are still consistent and relevant.

Baby boomers are the generation of people born between 1946 and 1965.[21] As of 2021, they make up 21.9 percent of the Canadian population—compared to 41.7 percent in 1966. This shrinking population is still the largest cohort in Canada; however, it is diminishing due to the passing away of boomers and increased immigration in younger cohorts.[22]

Baby boomers are redefining the concept of aging with a keen interest in health and an active lifestyle. Many boomers act and feel many years younger. Baby boomers are generally well educated, culturally diverse, and possess technological prowess. Boomers have been known to be brand-loyal customers.

There are many lifestyle decisions being made and to be made for baby boomers: they will have more leisure time; they will probably downsize their homes; and they will have to deal with an increasing number of health issues over time. Marketers have noted these changes in lifestyle and are developing products that address these needs, such as larger smartphone screens, educational vacations, and luxury retirement homes.[23]

Baby boomers increasingly use digital technology to communicate with others and conduct research. A report conducted by Media Technology Monitor concludes that baby boomers in Canada are adopting new technology, although at a slower pace than younger Canadians: 67 percent of boomers use smartphones compared to 88 percent of younger Canadians. When it comes to connectivity, 75 percent of baby boomers connect to the Internet with their devices versus 92 percent of younger Canadians.[24]

Generation X is the group of people born after the baby boomers, between 1966 and 1980. In Canada, this generation numbers 7.1 million; 21 percent of the total Canadian population. This generational cohort is smaller than the baby boomer or Generation Y/Millennial cohorts. These consumers are highly educated, most of them have children, and most are employed (mainly full time).[25] They are more likely to have household incomes higher than $100,000 per year.

Nearly one quarter (23 percent) of Generation X respondents reported not being born in Canada. The high earning power of Generation X allows them to be more experimental with technology. As a result, 90 percent own a smartphone, two-thirds own a tablet, and 84 percent own a laptop. They are also more likely to own wearable technology, with 21 percent owning a Fitbit. They tend to be knowledgeable consumers, searching for good value in their purchases. They like to use the Internet to make purchases. They prefer to use the same brand rather than try new ones. Once you build a relationship with Generation X consumers, they remain loyal. They are less prone to materialism and extravagance than baby boomers. Generation X is becoming a key influence in the market.[26]

Generation Y or **Millennials** describes people born between 1981 and 1996. These are mostly children of baby boomers. They number 7.9 million and account for 21 percent of the Canadian population. Music, video games, sports, and computer purchases are key products developed to meet the needs of this demographic group. In time, this generation is expected to become as influential as their baby boom parents. People in Generation Y are often casually referred to as Millennials. The millennials are highly influenced by Internet technology and are molding society with their effortless integration of digital technology into all aspects of their lives.[27]

Members of **Generation Z** were born between 1997 and 2012. This cohort represents 18.2 percent of the population. They were born into an online world with social media, extensive connectivity, and multiple devices. They do not know what life is like without technology. They believe they can change the world and expect to work longer and harder in order to become successful. They are frugal and do not buy premium brands. They comparison shop and actively critique online. They are used to getting things from social media and technology whenever and wherever they want, resulting in less patience and the expectation of immediate gratification.[28]

Each of these four generations has very different tastes, consumption patterns, and attitudes. For each generation, marketers need to develop distinct marketing programs, products, and services. For example, each of these generations uses the media

quite differently, and marketers have to carefully select which communication tools should be used. CBC is focusing on how to engage younger generations with different media consumption patterns.

BIG-CITY GROWTH

Canada experienced a lull in population growth during the pandemic: 0.4 percent in 2020 after a high of 1.6 percent in 2019. Since the pandemic, growth has rebounded and projections suggest that Canada will reach a population of almost 57 million by 2068, primarily through immigration. Boosted by immigration, big cities continue to grow faster than rural areas, with 73.7 percent of Canadians living in one of Canada's big urban centres. Urban spread also grew during the pandemic with more people moving to the suburbs.[29]

ETHNIC DIVERSITY

Canada prides itself on being a multicultural country. Recent surveys from Statistics Canada show that 71.1 percent of the nation's growth between 2016 and 2021 was due to the arrival of immigrants and nonpermanent residents. Canada admitted 405,000 new immigrants in 2021 and is predicted to reach 500,000 per year by 2025. These new immigrants are targeted to move to locations with the highest needs through the Atlantic immigration program and the Rural and Northern Immigration Pilot. Between 2016 and 2021, 62 percent of new immigrants arrived from Asia and the Middle East. This number continues to grow while European immigration contracts.[30]

The increase in immigration has reinforced the linguistic diversity of Canada. In the 2021 census, 450 mother-tongue languages were reported (other than English and French). The most spoken languages are Arabic, Tagalog, Mandarin, and Punjabi.[31]

This multicultural mix creates an interesting array of opportunities for marketers. In fact, many companies in Canada have recognized the potential impact of multicultural marketing strategies. Specific ethnic groups have their own particular interests and habits, which can be addressed in unique ways. TD launched the Ready for Anything Mortgage with advertising targeted to Desis—Indian, Bangladeshi, and Pakistani individuals living abroad. In this campaign they focused on the ability of customers to pay off their loan more quickly. Culturally, this group appreciates not having debt and would prefer to repay it as fast as they can. In one TV spot, a gentleman is seen receiving a financial gift from a family member and is excited about now being able to pay off his mortgage. This campaign ties directly into the cultural differences and values of Desis and appropriately positions the product to meet their unique needs.[32]

"Canada prides itself on being a multicultural country."

Marketing Matters

Ukrainian Consumers in Canada

Did you know that Ukrainians have been part of the Canadian population since 1891? In fact, 150,000 Ukrainians settled, mostly in the prairie provinces, Alberta, Saskatchewan, and Manitoba, between 1891 and 1914. Since that initial influx, three more waves of Ukrainians came to Canada—two waves after the two world wars and another after the dissolution of the Soviet Union. More recently, Canada developed measures to support Ukrainians fleeing after the Russian invasion of 2022. As of November 2022, over 100,000 Ukrainian refugees entered Canada.[a]

As of 2016, 54.9 percent of individuals of Ukrainian descent live in either Ontario or Alberta. The remainder are mostly spread out across Manitoba, Saskatchewan, and British Columbia. Third-generation Canadians represent 73.9 percent of that number, and 9.1 percent were foreign born.[b]

Ukrainian Canadians have a rich history of preserving and spreading their culture in Canada. In 1971, the Ukrainian Cultural Heritage Village was founded in east central Alberta. This village is the largest Ukrainian settlement outside of Ukraine. Here, 40 buildings have been moved and restored to recreate a Ukrainian pioneer settlement. In this space, actors play classic roles and visitors can attempt to use old-style tools to do daily chores. Ukrainians and non-Ukrainians alike visit to tap into a culture from another time.[c]



The Ukrainian Cultural Heritage Village invites Canadians to explore the Ukrainian element in Canada's past

Peter Carroll/Alamy Stock Photo

The Ukrainian Church was extremely important to the settling of Ukrainians in Canada. Historically, many communities built churches—even before they built solid structures for their own homes. These churches served as community centres for newcomers and their offspring. As time went on, however, many of these churches have lost their large parishes. As community members and donations subsided, so, too, did many churches. They fell into disrepair and many needed to be demolished.[d]

In Glendon Alberta, northeast of Edmonton, stands a giant vereniki (also known by its Polish name: pierogi). This 27-foot structure is a symbol of how this simple food, dough filled with meat, potatoes, cheese, or other Ukrainian staples, helped change Ukrainian Canadian commerce. This food was sold to fundraise for churches and to make

a living for many families. Today, boxes and bags of vereniki are sold in many grocery stores for all Canadians to enjoy.[e]



Vereniki statue in Glendon, Alberta

Rick Rudnicki/Alamy Stock Photo

Questions

1. As more Ukrainians come to Canada, what strategies can retail stores adopt to attract more Ukrainian shoppers?
2. What other industries do you believe should target Ukrainian consumers?

WORLD MARKETS

The world's population has reached over 7.9 billion people, with Asia accounting for over 59.5 percent of the total global population. China is home to 1.42 billion people and India is home to almost 1.41 billion people. Canada ranks number 39 on the list of most populous countries in the world. One of the major opportunities for future expansion is into foreign markets. The sheer size of these countries presents an enormous opportunity for growth.[33]

Five Largest Countries (population in millions, as of 2022)

China	1,425.9
India	1,417.2
United States	338.3
Indonesia	275.5
Pakistan	235.8

Source: World Population Review, "Total Population by Country 2022," (https://worldpopulationreview.com/countries (accessed November 2022).

CHANGING HOUSEHOLD COMPOSITION

In Canada, the composition of households has changed significantly. For the first time, the dominant household structure is the one-person household, surpassing couples with children. This shift has been driven by an aging population, an increase in the economic independence of Canadians, and an increase in separation/divorce rates. In addition, Canada has seen a growth in the number of couples living without children, the number of common-law relationships, the number of same-sex couples, and the number of multigenerational families.[34]

Culture

MEDIA

Device Connectivity

Almost 99 percent of Canadians use the Internet and more than 96.5 percent use mobile data. Consumers' widespread use of the Internet, and their ability and desire to access it numerous times throughout the day and on multiple devices, is changing the way marketers relate to and communicate with consumers. This is also altering how people communicate and interact with each other, impacting social norms within our society. In Canada today, we find a society that increasingly relies on electronic communication rather than face-to-face interaction.[35]

The proliferation of devices and connectivity means that many shoppers will access information about a product from social networks, product reviews, and online stores on mobile devices. This has resulted in a practice known as **showrooming**, the use of mobile devices in store to check competitive online product reviews and prices and to then purchase the cheaper product online. Best Buy enacted a lowest price policy to combat showrooming. Best Buy guaranteed it would match the price of local and online retailers, so customers would be encouraged to buy while in the store. Recently, reverse showrooming has become popular. Customers tend to do a lot of research on a product before heading to the store, and then, armed with all the information they need, they purchase from the store.[36]

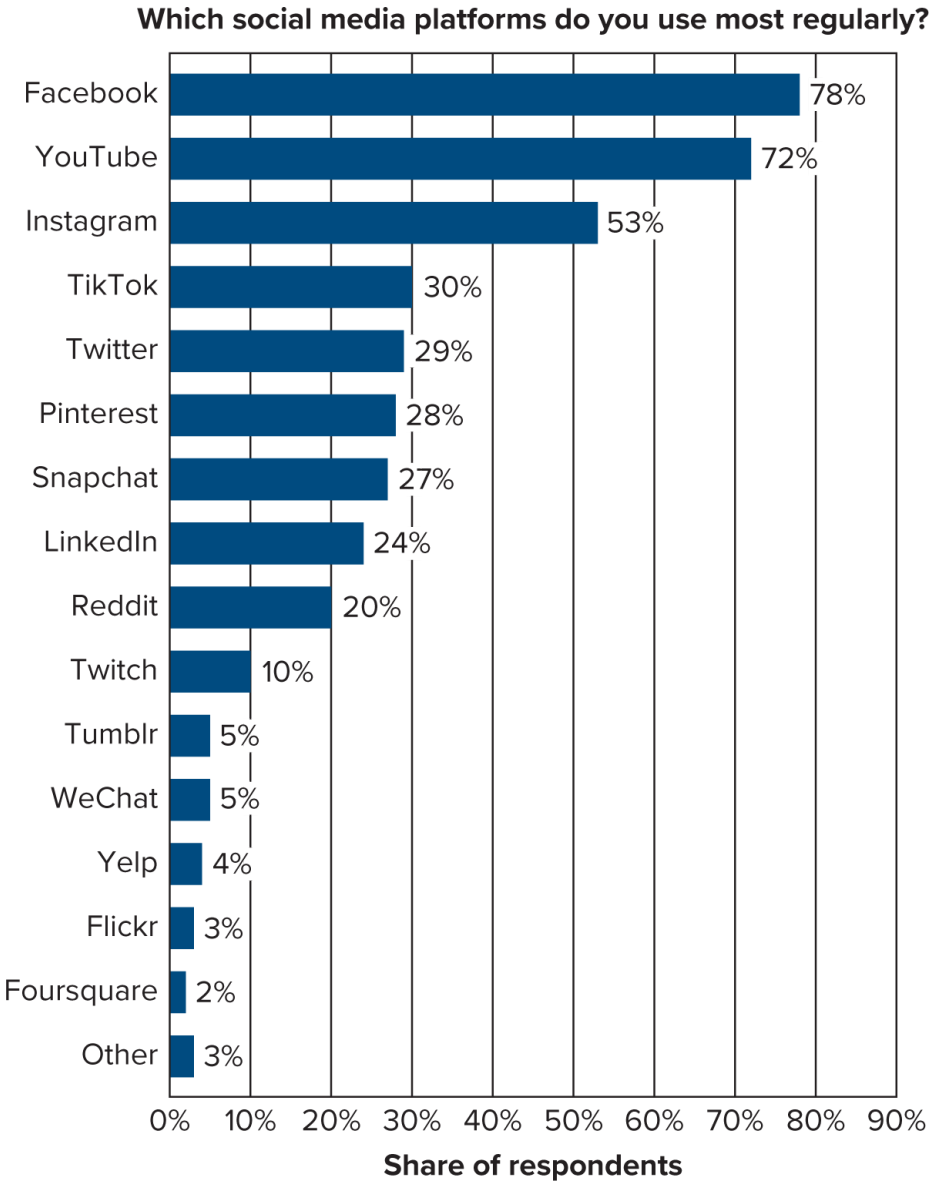
Social Media

Social media is no longer only a platform for people to stay in touch with friends. Social media sites allow consumers to express their opinions about products, to conduct research before making a purchase, and to communicate directly with companies. Marketers must use social media to speak to consumers. Brands need to have Facebook pages, TikTok accounts, Instagram accounts, Snapchat accounts, X (formerly Twitter) feeds, and YouTube channels to build relationships with customers and manage their brands in an open communication forum.

TikTok allows companies to connect with customers through short video snippets. Facebook engages consumers with ads and offers, Twitter connects with newsworthy updates and by responding to customer questions, and YouTube is used for posting engaging videos, brand advertising, and how-to content.

The Social Media Hub out of Toronto Metropolitan University indicates that the social networks most used by Canadians are Facebook, YouTube, Instagram, and TikTok (see Figure 2–3). About 31.8 million Canadians use an average of six different social media platforms for an average of just under two hours daily. The top reasons people say they use social media are to keep in touch with friends and family, to pass spare time, and to read the news. Facebook usage continues to be the highest in the country with Twitch and Reddit being popular for younger Canadians.[37]

Figure 2–3 2022 Canadian social media usage statistics



Source: https://canadiansinternet.com/2022-report-social-media-use-in-canada-statistics/#:~:text=76.9%20percent%20of%20Canadians%20use,dropped%207%20percent%20from%202020 (accessed November 9, 2022).

TV and Video Viewing

Canadians are highly engaged with TV and video viewing. While these data are changing rapidly, when it comes to TV, Canadians currently watch an average of 21.8 hours per week of television, though this number has been steadily declining

over the last few years. Younger viewers are watching less than the average (under 15 hours), while older viewers are watching 35.9 hours per week. This is at least partially due to online streaming of content. **Cord cutters** are people who decide to cancel cable or satellite TV and focus on online viewing. It was estimated that by the end of 2022 less than 50 percent of Canadians would have pay TV, but the jury is still out.[38]

When it comes to online content, Canadians spend the majority of their time on television programming, news, music, and games.[39] Canadian Netflix viewers are expected to surpass 18 million by the end of 2022. The video-streaming market has expanded to meet consumer demand: Bell launched Crave TV, Apple TV is available, and Amazon's streaming site is Amazon Prime. The ability of streaming services to provide entire seasons for viewing on demand is promoting a new form of viewing, **binge watching** (popular among the 18- to 34-year-old demographic). This is where consumers watch episodes of complete or partial seasons over a few days. **Social TV** is an industry term that refers to viewers watching live TV while adding comments on social networks.[40]

FOOD CONSUMPTION

Canadians are increasingly concerned with what they eat. The rise in chronic diseases in Canada has focused attention on the need for healthier food choices. As a result, there has been increased pressure put on food suppliers, the industry, and the government to ensure transparent labelling. Consumers want to have clarity around the definitions of food claims, such as *low-fat* and *fat-free*, and they want to be aware of the health implications of the food they are purchasing.[41] Even Kraft Dinner has eliminated artificial preservatives and colours.[42]

Consumers are switching from processed fruits and vegetables to fresh products. This trend has caused a shift in the frozen food segment, with marketers focusing on the freshness and nutrient value of their frozen products.[43] In an effort to eat healthier and fresher food, Canadians are also buying local—38 percent of Canadians always or often purchase locally, and 47 percent sometimes do the same. There has been steady growth in the demand for products to meet specific dietary requirements, such as gluten-free, ketogenic, lactose-free, and sugar-free (diabetic) foods. Thousands of products have been launched in the “food intolerance” segment. Companies such as Smart Sweets focus on reduced sugar products, but even private brands, such as the Compliments label from Sobey’s, carry a wide range of fresh and processed gluten-free options.[44]



Sugar reduced products are proliferating in the market.

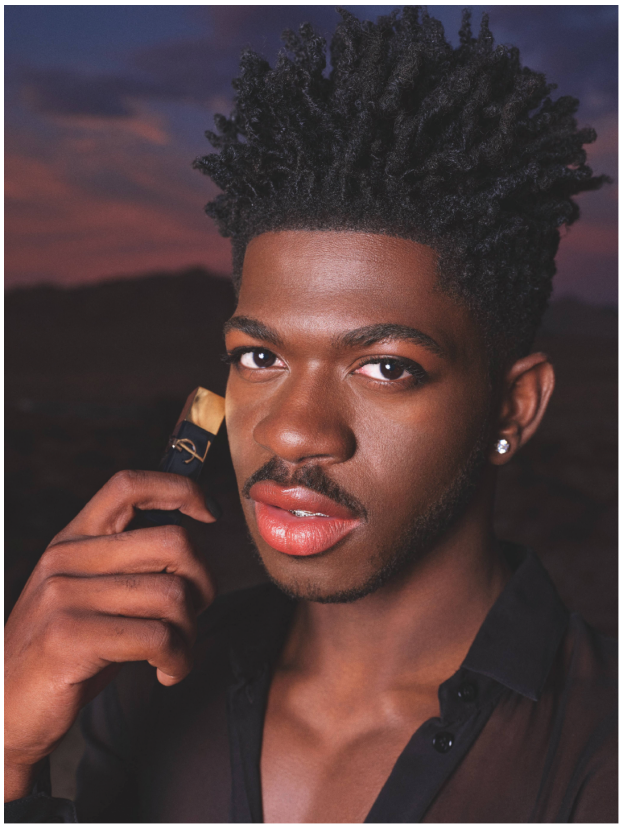
© 2023 SmartSweets

Ethnic foods continue to be popular with Canadians and, in fact, have become mainstream. Most supermarket chains have food aisles with Asian, South American, European, and Caribbean products. When it comes to ethnic foods, consumers in Canada are exposed to a wide variety of international meals from friends, families, restaurants, and multicultural communities. This variety trickles down to the foods people enjoy and wish to purchase. Marketers note these trends and develop products geared to evolving palates. Examples are Patak's, which markets a full line of Indian sauces in mainstream supermarkets, and Club House, with its blends of spices and seasonings that include Thai, Greek, Cajun, and Indian Masala varieties.

Consumers are demanding more prepared food and ready-to-eat meals. But they are not looking for frozen dinners or fast-food takeout; they want a variety of fresh and delicious meals. The ready-to-eat meal segment reached US$6.36 billion in 2022 and is expected to grow by 5.51 percent annually until 2027. Chains such as Loblaw have added hundreds of new, fresh dishes across its locations in Canada. The segment is rapidly growing with customers choosing the convenient fresh meal options over fast-food restaurants. We also see a recent influx of gourmet meal delivery services that deliver fresh ingredients and recipes to your door for you to prepare and cook. These services can provide very specialized vegan, gluten-free, or otherwise customized meals, decreasing shopping time, while providing the healthy and fresh options that consumers want. Easy, fresh, convenient, and customized—that is what Canadians want![45]

GENDER ATTITUDE AND ROLES

One of the most notable cultural changes has been in the attitudes and roles of men and women in the marketplace. Some companies are moving away from traditional gender norms to avoid gender stereotypes. Disney has removed gender labels from its Halloween costumes. Fashion leader Zara introduced a line of ungendered clothing which includes sweatshirts, T-shirts, trousers, and shoes, and Calvin Klein introduced fragrance CK2 for women and men. Gender-neutral or gender bending advertising is also becoming more common such as rapper Lil Nas X being named the face of YSL Beauty. [46]



YSL Beauty is making changes to appeal to men as well as women.

Zamar Velez-YSL Beauty/MEGA / Newscom/GWGLA/Newscom

HEALTHY LIVING FOR AN AGING POPULATION

With a large aging population, there is an ever-increasing consumer interest in maintaining and improving health. This interest includes healthy eating and exercise, as well as living a holistic lifestyle. This trend is particularly influential for baby boomers. Statistics Canada estimates that by 2036, 25 percent of Canadians will be over 65, and so this trend is expected to continue for many years to come.[47]



Fitbit monitors activity, eating, and sleep patterns.

Kelvin Wong/Shutterstock

Companies are responding to this shift in the environment by modifying their products to make them healthier and by creating new products and services that address concerns related to health, nutrition, obesity, and associated medical conditions. This interest in healthy living extends into a variety of sectors, such as technology, food, pharmaceuticals, clothing, and travel. These sectors are developing products and applications that address these trends. One very successful example is the Fitbit, a wristband activity tracker that monitors your movements, sleeping patterns, and heart rate. The Fitbit app for your smartphone or tablet tracks your data on a dashboard, and its connectivity allows users to challenge friends to fitness competitions and to track performance. [48]

"There is an ever-increasing consumer interest in maintaining and improving health."

ETHICAL CONSUMPTION

Canadians show a keen interest in being less wasteful by making choices that do not negatively impact the environment and by supporting businesses that adhere to ethical business practices. Seventy-one percent of Canadians identify as sustainable consumers with 82 percent believing their personal actions have a global impact. Green consumers are those buyers who consider the environmental impact of every purchase they make. However, with a variety of environmental certifications, eco-labelling options and numerous products making green claims, Canadians are confused and skeptical at the point of purchase. Retailers have adopted "green" aisles in their stores to highlight their eco-friendly products and to capture green customers in a focused shopping environment.[49]

Critical Thinking for Marketing

1. *What is meant by "cutting the cord"?*
2. *What are the marketing implications of diversity in Canada's population?*
3. *How are important values such as health, fitness, and environmental awareness reflected in the marketplace today?*

Economic Forces

LO 4 The **economy** is another area in an environmental scan that marketers need to consider. The ability of a consumer to purchase a product is what interests marketers, and with the global economy being interconnected, this area has become even more difficult for businesses to forecast. When the economy experiences a significant downward turn, customer confidence wanes, resulting in delayed or cancelled purchases of unnecessary or higher-priced items.

As the demand decreases, people lose their jobs or have hours cut back. This results in lower household income, again negatively impacting consumers' ability and desire to purchase. If people become unemployed they will likely defer the purchase of a new car and concentrate purchases on life's necessities. Conversely, an upswing in the economy can result in greater confidence and an increase in spending power.

Marketers need to recognize how the economy affects the purchase behaviour of their target markets. Some products, such as camping gear, thrive in a poor economy, with consumers wanting to take less-expensive and close-to-home vacations. While new automobile sales will decline in a poor economy, services such as automobile repair thrive.[50]

The economy consists of macroeconomic forces and microeconomic forces. **Macroeconomic forces** refer to the state of a country's economy as a whole. Indicators of strength and weakness should be on marketers' radar screens so that they can react quickly to changes that affect their consumers. A country's key economic indicators are its economic growth rate (usually measured by the change in gross domestic product), its inflation rate, and its unemployment rate. Consumer confidence is also an important indicator of the economy's health, showing how people feel about their long-term economic prospects.

A country's **gross domestic product (GDP)** is the total dollar value of all goods and services produced in a country within a specified time period. GDP is normally a fairly accurate indicator of the economic health of a country.[51]

Canadian GDP in USD from 2018 to 2021 (in billions)

2021	$1,990.73
2020	$1,645.42
2019	$1,742.02
2018	$1,725.33

Macrotrends.net, "Canada GDP 1960-2022," www.macrotrends.net/countries/CAN/canada/gdp-gross-domestic-product (accessed November 11, 2022).

Another key economic indicator is **inflation**, a period when the cost to produce and buy products and services gets higher as prices rise. From a marketing standpoint, if prices rise faster than customer income, customer purchasing power decreases. This means that customers will generally buy less of certain product categories.

A **recession** is a time of slow economic activity within two consecutive periods of negative growth. During recessions, production levels decline, unemployment levels rise, and many customers have less money to spend. At these times, they tend to focus their spending on life's necessities.

Interest rates can affect customer spending. If interest rates are high, people may lean toward saving money and earning higher interest. Conversely, when interest rates are low, people may be more inclined to spend and borrow money.[52]

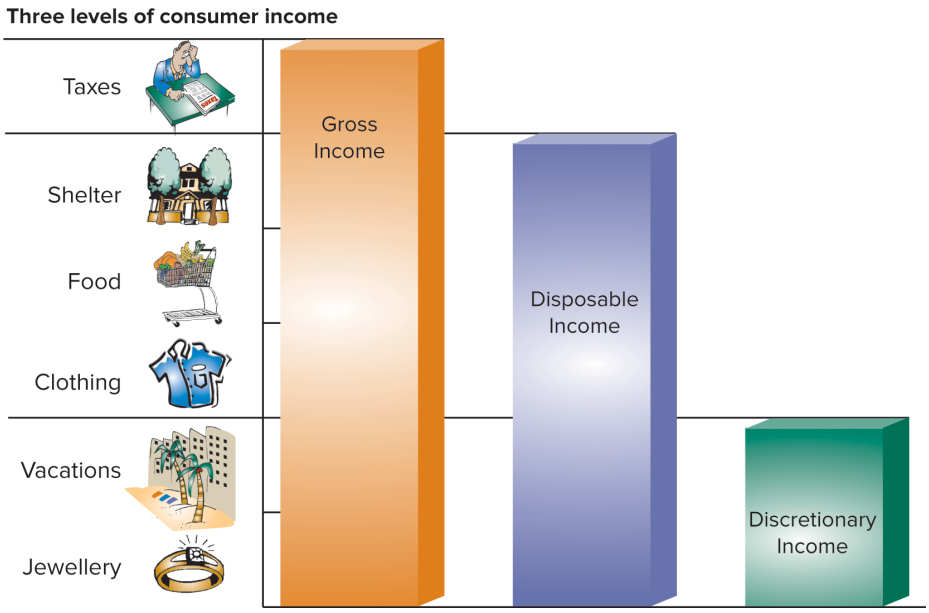
Unemployment rate measures the share of the labour force that is unemployed. When unemployment is high, spending can decline due to the uncertainty of future income.

A country's business cycle fluctuates between different levels of growth depending on the state of the economy, international economic factors, and global pressures. Marketers keep apprised of a country's key economic indicators—economic growth rate, inflation rate, and unemployment rate—to understand whether to expect a downturn or upswing in the economy. Based upon the projected economic climate, marketers may adjust marketing programs to maximize business results.

Microeconomic forces directly refer to the supply and demand of goods and services and how this is impacted by individual, household, and company decisions to purchase. A marketer needs to be alerted as to how these areas affect customer buying power. Here are some terms you need to know (see **Figure 2–4**):

- **Gross income:** This is the total amount of money made in one year by a person, household, or family unit, before taxes.
- **Disposable income:** This is the after-tax income that customers have left for spending and savings. Typical ongoing purchases are for rent, clothing, and transportation. If taxes rise at a faster rate than income, customers have less disposable income with which to pay the bills.
- **Discretionary income:** This is the income a customer has left after paying taxes and for necessities such as food, shelter, and clothing. This income is used for discretionary purchases that are not deemed a necessity. Examples include going to a movie, eating at a restaurant, or going on vacation.

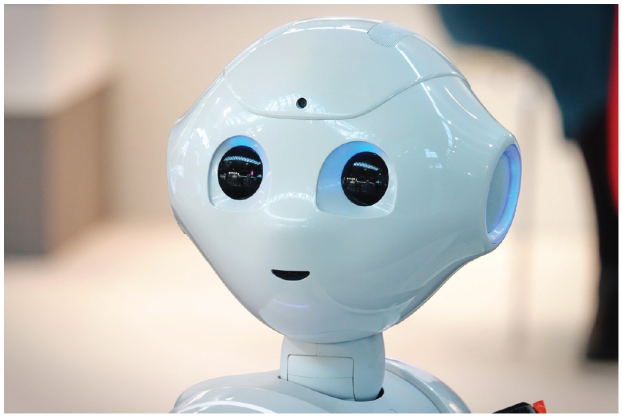
Figure 2–4 Three levels of consumer income



Technological Forces

LO 5 Changes in how consumers use technology must be understood by marketers. Marketers need to know not only what new inventions are coming on the scene but also how consumers are integrating technology into their lives.

Technological forces refer to inventions or innovations that stem from scientific or engineering research. Each new wave of technology can replace existing products, and companies need to be aware of technological changes to ensure that products do not become obsolete.



Marketers are challenged to keep up with technological advances such as robots in retail environments.

Michele D'Ottavio/Alamy Stock Photo

Technology of Tomorrow

Technological change is the result of innovation and research, so it is difficult to predict. Some of the most dramatic technological changes occurring now, however, include the following:

- New authentication technology based on facial recognition and fingerprint recognition will improve transactions by eliminating passwords.

- Digital ledger technology, or blockchain, will facilitate instant and efficient digital advertising by connecting advertisers directly with media platforms.
- Smart speakers, digital assistants, and artificial intelligence will combine to become convenient, knowledgeable, and always-available purchase influencers.
- Wearable technology will evolve from fitness monitors to health and wellness devices that provide remote monitoring, digital therapeutics, and even personalized healthy behaviour guidance.

Some of these trends in technology are already being realized in today's marketplace. The Olympics, for example, uses facial recognition technology to reduce congestion in waiting lines. IBM has partnered with **Salesforce.com** to use artificial intelligence to enhance Salesforce's customer service software. Apple introduced a watch with electrocardiogram (ECG) capability. Other technologies, such as Google's Cloud Storage service, Slack's communication software, and Nest's doorbells, are likely to replace or become substitutes for existing products and services such as hard-drive storage, email, and security cameras.[53]

Today, technologies have advanced to allow computer chips to be placed in almost anything and to be connected to a network almost anywhere. This network of products embedded with connectivity-enabled electronics has come to be known as the **Internet of Things (IoT)**. The information generated by the Internet of Things has led to an explosion in interest in advanced analytics that can predict consumer preferences and behaviour. In Canada, data analytics and big data expenditure surpassed $2.64 billion in 2020. This expenditure is expected to grow by 10 percent yearly until 2025. Firms that have grown their revenues through analytical insights include Netflix, Google, Amazon, Dell, and eBay.[54]

"Marketers need to know how customers are integrating technology into their lives."

Let's look at some of the latest data on Canadians' use of technology that marketers need to note:

- **Ecommerce:** Online spending reached $66.92 billion in 2022 and is expected to grow to $103.6 billion in 2025; 75 percent of Canadians shopped online in 2022; 75 percent of Canadians plan to buy more domestically in the coming year.[55]
- **Cloud-based services:** "The cloud" simply refers to Web services and storage that reside on the Internet, rather than on a local computer. Examples of cloud-based services are Google Apps (used for mail, documents, messaging), Blogger for blog creation, Dropbox for document storage, Google Analytics or Salesforce.com for online measurement, and Facebook, YouTube, Instagram, and Twitter to share videos, photos, or links.[56]

- **Privacy:** Canadians are concerned about privacy, with 92 percent worried about hackers and the potential loss of their personal information.[57]
- **Music:** As of 2021 Canadians regularly streamed well over two billion songs a week—a 12 percent increase compared to 2020. Streaming occurs on platforms such as Spotify, Amazon, and Apple Music. Revenue was projected to reach US$225 million by the end of 2022 but there is no clear verdict if that was reached.[58]
- **Online video:** As of 2022, it was expected that 28.4 million people would be watching digital video in Canada, which equates to more than two-thirds of the population.[59]
- **Computers:** Despite the increased usage of new devices (smartphones and tablets), computers, including desktops and laptops, still account for 57 percent of Internet traffic.[60]
- **Smartphones:** Ownership of smartphones is rapidly increasing in Canada, where smartphone penetration has reached 90 percent and continues to climb. Smartphones are used for everything on the go, with usage including taking photos, messaging, social networking, watching videos, listening to music, conducting searches, using apps, and playing games.[61]

- **Mobile payments:** Canada is among a top tier of countries where proximity mobile payments have become a common method of transacting in retail stores. Built on a solid installed base of contactless terminals nationwide, the ability to tap and pay with a card or phone has become the norm. As of 2022, only 34 percent of Canadians do not want to use Mobile Payments at all; 26 percent want to use it in all situations.[62]

The last two decades have seen disruptive technological change that is altering our lives. The way we shop, communicate, pay, and entertain ourselves has evolved dramatically.

MARKETING TIP

"It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change"

- Charles Darwin, Naturalist and Geologist

Competitive Forces

LO 6 Another important element in an environmental scan is competition. This puts a focus on **competitive forces** that consumers can examine to satisfy a need. There are various types of competition, and each company must consider its present and potential competitors when designing its marketing strategy. Determining a product's main competitors can be done in a number of ways. Large organizations often purchase research data from companies such as the Nielsen Company or comScore to obtain competitive market share data and to identify general industry trends and market growth patterns. Smaller companies may prefer to reduce their expenditures in this area, instead relying on competitive information obtained from salespeople, suppliers, customers, and retailers.

One of a marketer's primary concerns is to monitor the competitive activity of products that compete head-to-head with its brands. Any changes made by a major competitor in areas of product, price, place, and promotion are routinely noted, and detailed analyses are conducted to determine the impact on business results. These head-to-head competitors are called **direct competitors** and refer to very similar products sold in the same category. Examples are Coke versus Pepsi in the cola category and Samsung versus Apple in the mobile phone category.

Marketers also understand that consumers do not function in a vacuum and often make choices between products that do not directly compete in the same category. Marketers therefore also look (a little less intently) at **indirect competitors**, those products that compete for the same buying dollar but in a slightly different category. For example, while Pepsi may focus on Coke, they should not ignore Canada Dry ginger ale, A&W root beer, or San Pellegrino water because these indirect competitors also compete for consumers wanting to purchase carbonated beverages.

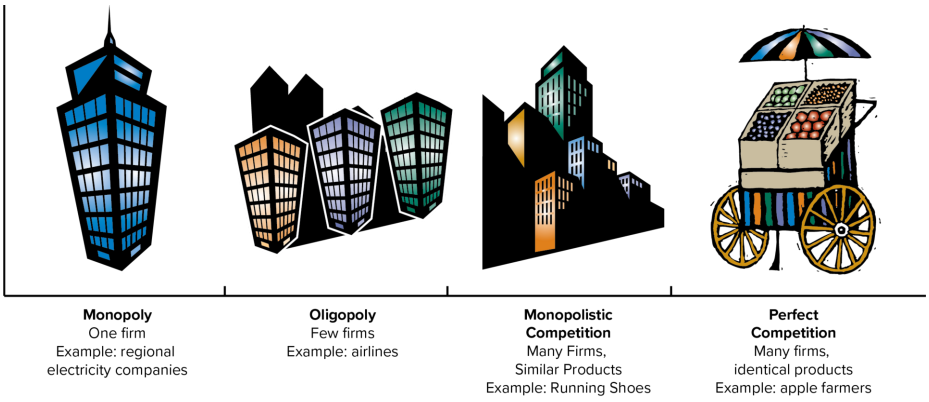


Direct and indirect competitors must be considered in the soft drink category.

Jill Braaten/McGraw-Hill Education

Marketers need to be intimately familiar with competitive products and try to anticipate competitive moves in the marketplace. When analyzing the competitive environment, a marketer needs to review all major competitors, present and future. More attention is given to those that can directly impact a marketer's business. Apart from understanding direct and indirect competitors, marketers need to have a clear understanding of the competitive nature of the industry in which they function and factor this into an environmental scan. If, for example, there are very few competitors, a marketer will consider changes among competitors to be significant, while in a situation where numerous competitors and undifferentiated products exist, changes may be viewed differently. **Figure 2–5** shows the four basic types of competition as identified by economists.

Figure 2–5 Types of competition



At one end of the competition spectrum is a **monopoly**. A monopoly exists when there is only one company selling in the market. Monopolies are legal in Canada but they are carefully monitored by the Competition Bureau to ensure that customers are not charged excessive prices. Examples of monopolies in Canada are regional electricity companies.

The second point in the continuum is an **oligopoly**, which occurs when a few companies control a market. In Canada, this situation exists with network providers that control the telecommunications industry. Companies such as Bell, TELUS, and Rogers dominate the market. Because there is limited competition, it is thought that prices are usually higher because companies want to protect their profits. Marketers who function in an oligopoly need to be acutely aware of competitive moves and particularly changes in price.



What type of competition typifies the hotel industry—monopoly, oligopoly, monopolistic competition, or perfect competition?

Michael Blann/Digital Vision/Alamy Stock Photo

The third type of competition is **monopolistic competition**. This is when a large number of sellers compete with each other, offering customers similar or substitute products. Marketers need to know that in this instance, branding plays an important role, as does product differentiation and added-value activities to draw consumers to the product. Being in touch with consumer needs and adjusting the marketing mix to meet those needs is crucial for long-term survival.

The market for running shoes is a good example. This market is dominated by major brands such as Nike, Adidas, New Balance, and Reebok, as well as many less-popular brands. The result is that when it comes to buying running shoes, consumers are presented with a wide array of options. Marketers in this category need to keep the competitive nature of this market top of mind when marketing products.

The fourth type of competition is **perfect competition**, when there are many sellers with nearly identical products and little differentiation. Companies that deal in commodities—that is, products such as grains, vegetables, or rice—often function in an environment where perfect competition exists. In this instance, marketers need to know that pricing plays a key role in securing business, and that the focus will be on cost reduction in every element of the business.

Critical Thinking for Marketing

1. *How do oligopolies differentiate themselves from each other?*
2. *What type of competition is found in the fast food industry?*
3. *What are the indirect competitors of the CBC?*

Regulatory Forces

The final area involved in an environmental scan relates to **regulations**, which are restrictions placed on marketing practices by government and industry associations. These regulations are put in place to protect consumers from unscrupulous business practices, to set acceptable standards of practice, and to encourage fair competition. Marketers need to clearly understand all the legal and ethical guidelines that affect their business practices and to retain legal guidance as needed to ensure that their practices are legal. Ethical business practices should also be followed to avoid consumer backlash and negative publicity.

Below we review the key regulatory groups and regulations that affect marketing practices in Canada. It is worth noting that regulations are updated and changed by these groups as needed to meet changing business practices. Marketers are strongly advised to check these associations regularly for updates and changes, and to consult with a marketing lawyer to ensure practices are both legal and ethical.

The key groups that regulate marketing practices in Canada are the Competition Bureau, Advertising Standards Canada (Ad Standards), the Canadian Radio-television and Telecommunications Commission (CRTC), the Canadian Marketing Association (CMA), and the Office of the Privacy Commissioner of Canada (OPC).

In addition to these general regulatory bodies, the Canadian Wireless Telecommunications Association (CWTA) and the Mobile Marketing Association (MMA) provide specific guidance on mobile marketing practices, and the Digital Advertising Alliance of Canada (DAAC) oversees online behavioural advertising. Marketers also need to review other regulatory bodies and associations specific to their industry, as well as those that have jurisdiction in other countries, provinces, or states where they conduct business.

Competition

The Competition Bureau is an independent law-enforcement agency responsible for ensuring that the market in Canada is competitive and innovative. In this manner, people in Canada can benefit from fair prices, product choice, high-quality services, and a reduction in fraudulent business practices. It is responsible for the administration and enforcement of the *Competition Act,* the *Consumer Packaging and Labelling Act,* the *Textile Labelling Act,* and the *Precious Metals Marking Act,* just to name a few areas of responsibility.



The Competition Bureau can levy hefty fines.

Competition Bureau Canada

The Competition Bureau also reviews mergers and acquisitions and prohibits deceptive business practices that include, among others, price fixing among competitors, predatory pricing by large competitors to run small companies out of business, and bid rigging among competitors to inflate prices on government contracts. Prohibited pricing practices to lure customers include bait-and-switch advertising, fraudulent advertising claims, and misleading pricing practices such as double ticketing.

Bait-and-switch advertising refers to the practice of advertising a low-priced product (bait) to lure customers into a store and then, because the product is not made available in large quantities, selling these customers higher-priced products (switch). In 2014, the *Competition Act* was amended to include new areas that relate to Canada's anti-spam legislation, making it an offence to include false or misleading information in electronic messages.

Failure to abide by Competition Bureau rules can result in fines and jail time. False and/or misleading representations to sell products can result in orders by the Competition Bureau for companies to publish corrective notices, stop the prohibited practice, pay administrative costs, and pay restitution to purchasers. In addition, the Competition Bureau has the legal clout to levy hefty fines on individuals and/or companies. To find out more about the Competition Bureau, and to see a complete list of its regulations and recent rulings, visit its website at **www.competitionbureau.gc.ca**.

The Canadian Anti-Fraud Centre (CAFC) is managed jointly by the RCMP, the Ontario Provincial Police (OPP), and the Competition Bureau to reduce marketing fraud. The CAFC maintains a website, **www.antifraudcentre.ca**, with up-to-date data on fraudulent marketing schemes and an area for consumers to report scams. These scams use various communication tools such as mail, email, the Internet, and the telephone to take advantage of unsuspecting people. The Competition Bureau regularly updates its publication of *The Little Black Book of Scams*, which highlights the wide range of scams that exist (see the **Focus on Ethics** box, The Little Black Book of Scams).[63]

The Little Black Book of Scams

Scams are a big business. They can come to you in many different ways—mail, online, or over the phone. In 2021, Canadians lost over $230 million to scams. This value is over $120 million compared to the previous year. As technology infiltrates our lives, the ease of carrying out a scam also increases. The Competition Bureau of Canada is taking this seriously and is focused on ensuring Canadians are aware of these dangers. *The Little Black Book of Scams* was first published in 2012 and is available online.



Fraud Fighters—*The Little Black Book of Scams*

Competition Bureau Canada

The latest update was in 2018 and included versions in eight different languages as well as details of new and improved scams. What types of cons should Canadians be aware of? Here are just a few:

Internet scams most commonly take the form of phishing emails. Have you ever received an email from your bank asking you to click on a link to its website and reenter your personal information? This is phishing! Phishers may send millions of copies of the same email, and all they need is for a few to respond to make it worth their efforts.

Dating and romance scams netted almost $22.5 million from Canadians in one year. Online dating has become the norm for many singles. It is estimated that at least 20 percent of online dating profiles are fake. The scam begins when a person meets someone wonderful online, and after ongoing communication, they ask for money and then disappear.

Identity theft cost Canadians $21.2 million in one year (2018). It happens when a fraudster uses online methods (phishing or spyware) or offline methods (stealing mail or going through trash) to find enough information about you to steal your identity and turn your life upside down. Fraudsters can make purchases, empty bank accounts, get credit cards in your name, and even get a passport.

Tax scams are a growing problem and cost Canadians over $5 million a year. Many immigrants and seniors are targeted by scammers pretending to be the Canada Revenue Agency. People new to Canada or the elderly are threatened with jail or fines if they don't pay their "taxes." The scammers ask for personal information that they can then use for identity theft or for payment by iTunes gift cards or untraceable money transfers.

Follow these tips to protect yourself:

- Protect your personal details and only give out personal information to people you know and trust.
- Don't send money to anyone that you don't know, and never pay fees to claim prizes or obtain a job.
- Never reply to spam emails or open attachments from any suspicious emails.

- Install security software on your computer.
- If you think you have been the victim of a scam, act immediately to limit your damages and report it to the appropriate authority.

The Little Black Book of Scams is on the Competition Bureau website at **www.competitionbureau.gc.ca**.

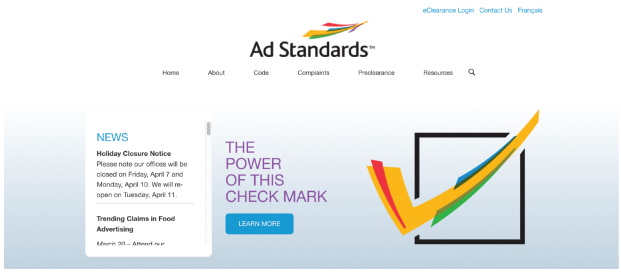
Questions

1. Do you think the number of scams and cons will continue to rise in Canada? Why or why not?
2. Many consumers are unaware of the frequency of scamming in Canada. How can social media help increase awareness of these practices?

Advertising

Advertising Standards Canada (Ad Standards) is a self-regulatory non-profit body supported by advertising, media, and marketing companies with the purpose of setting and regulating standards of professional practice in the advertising industry. The industry has agreed to abide by its leadership, code, process, and rulings. Ad Standards sets and regulates advertising guidelines, monitored through a consumer complaint process. A single complaint will trigger a review of advertising placed in the Canadian media, with the eventual withdrawal of the ad if changes are required and not made. Ad Standards also provides advice and pre-clearance services for advertisers.

Ad Standard's jurisdiction does not carry over into the legal arena. It does not levy fines or engage in legal proceedings. Instead, it relies on industry compliance to ensure that ads contravening its guidelines, the Canadian Code of Advertising Standards (or the Code), cease to air. Deceptive and fraudulent advertising, although covered under the Code, is also scrutinized by the Competition Bureau, which can levy fines and take legal action if necessary.



Navigate to **adstandards.ca** to review guidelines and reports on advertising in Canada.

Advertising Standards

The Code has a comprehensive set of guidelines designed to encourage truthful, fair, and accurate marketing communications. It covers 14 areas, as shown in **Figure 2–6**, that address issues such as comparative advertising, accuracy, safety, decency, and advertising to children. These guidelines are updated as required with a detailed list of guidelines available at **www.adstandards.ca**.[64]

Figure 2–6 Advertising Standards Canada—the code

Advertising Standards Canada (Ad Standards) encourages truth in advertising through a code that provides guidelines under these areas:

- Accuracy and clarity
- Disguised advertising techniques
- Price claims
- Bait and switch
- Guarantees
- Comparative advertising
- Testimonials
- Professional or scientific claims
- Imitation
- Safety
- Superstitions and fears
- Advertising to children
- Advertising to minors
- Unacceptable depictions and portrayals

Details can be found on the Ad Standards website at **www.adstandards.ca**.

Advertising Standards Canada

Do Not Call List

The Canadian Radio-television and Telecommunications Commission (CRTC) is another government agency that sets guidelines and enforces a clear set of regulations that govern Canadian businesses. The areas most relevant to marketing are the *Broadcasting Act*, the *Telecommunications Act*, the Wireless Code, the Do Not Call List, and particular areas of Canada's anti-spam policy.

The *Broadcasting Act* and the *Telecommunications Act* set guidelines for broadcast standards, and in 2013, the CRTC created the Wireless Code, a mandatory code of conduct for all wireless service providers.

The CRTC adjudicates the cross-media ownership of media companies to ensure that a single media organization or conglomerate does not overpower local markets. It also approves broadcast licences for TV and radio stations and sets guidelines on the broadcast of Canadian content. In addition, the CRTC sets limits on the number of minutes of advertising permitted hourly on TV. While it does not directly regulate the content of ads, primarily an Ad Standards concern, it does oversee the advertising of alcoholic beverages and works with Ad Standards on issues related to advertising to children.

The CRTC also has jurisdiction over the national **Do Not Call List (DNCL)**. The DNCL gives consumers the ability to elect to not receive telemarketing calls on cellphones and landline phones by registering their phone numbers. Registration keeps these numbers in the DNCL for five years, after which consumers must re-register. Telemarketers are required by law to subscribe to the DNCL and to not call the numbers in its database.

There are five exemptions to the DNCL: registered charities, newspaper subscriptions, political parties/candidates, market research companies, and companies with which an individual has done business in the previous 18 months. Failure to comply with the DNCL can result in fines of up to $1,500 for an individual and up to $15,000 for a corporation for each violation. A major challenge for the CRTC is the proliferation of call centres located outside of Canada. The resolution of many of these cases required the cooperation of international regulators.[65] You can read more about the CRTC at **www.crtc.gc.ca**.

Marketing

The Canadian Marketing Association (CMA) guides the practices of the marketing industry through its Code of Ethics and Standards of Practice. It is mandatory for all members to abide by these policies, which are clearly outlined on the CMA website at **www.the-cma.org**. This website provides marketers with numerous practical guides on topics such as native advertising, anti-spam legislation, digital marketing, privacy compliance, telemarketing, promotional contests, fundraising, marketing lists and data, and marketing to children and teenagers.[66]

"The Canadian Marketing Association (CMA) guides the practices of the marketing industry."

Mobile

The Canadian Wireless Telecommunications Association (CWTA) provides resources on the wireless industry in Canada. It deals with the government on issues related to cellular phones, personal communication devices, text messaging, and wireless and mobile satellite carriers, and represents companies working in that space. Its website provides useful statistics on the industry as well as regulations that control the sector.[67] The CWTA introduced common short code (CSC) guidelines to regulate the industry's use of text messaging. This includes outlining protocols to ensure that all messaging is permission-based, allowing customers to immediately opt-out by using the keyword STOP. To read more about mobile marketing regulations, go to **Chapter 13**. Updates on CSC regulations can be found at **www.cwta.ca** and **www.txt.ca**.[68]

The Mobile Marketing Association (MMA) is a global association that sets standards and guidelines, and shares best practices on mobile marketing. The MMA has over 800 members and is represented in nearly 50 countries. It has a resource centre for marketers; publishes a code of conduct, a best practices guide, and privacy policy templates; and sets standards for mobile messaging, mobile advertising, and mobile promotions. You can read more about the MMA at **www.mmaglobal.com**.[69]

Privacy

The collection of personal data by private sector companies is governed by the *Personal Information Protection and Electronic Documents Act* (PIPEDA). Personal information includes age, name, social status, ID numbers, income, ethnicity, opinions, comments, evaluations, purchase habits and disputes, credit records, loans, medical information, employee files, and disciplinary actions. It does not include employee information such as name, title, address and telephone number. These acts are periodically updated, and guidelines and reports can be found on the Office of the Privacy Commissioner of Canada's website at **www.priv.gc.ca**.

Federal legislation for the private sector falls under PIPEDA and is reviewed by the government every five years to ensure that it remains current and actionable in the light of new technologies. Many provinces and territories have their own privacy legislation similar to PIPEDA and have specific requirements pertaining to health care as well as the banking and credit sectors.[70]

PIPEDA requires organizations to obtain consent from individuals for the collection, use, and disclosure of information, including video surveillance. It also stipulates that information must be safely stored and security breaches must be communicated to consumers.

PIPEDA and the Canadian Marketing Association require businesses to regularly review their privacy policies, to appoint a privacy policy officer, and to collect only necessary information. In the online environment, privacy policies must be clearly posted on all websites and detail the type of personal information that is collected, how it is collected, how it is used and protected, whether information is disclosed to outside parties, and whether the company complies with Canadian privacy legislation and anti-spam laws.

Individuals can table complaints on privacy issues directly with an organization's privacy officer as well as to the Office of the Privacy Commissioner of Canada. If the Office of the Privacy Commissioner of Canada finds an individual or

organization knowingly contravened PIPEDA, this can be processed through the courts and result in penalties of up to $100,000.

Due to the rapid changes in digital marketing practices, PIPEDA is under constant pressure to update its legislation with regard to evolving digital marketing practices. Therefore, marketers are strongly advised to be well versed in the latest privacy regulations and fines, and to check the website of the Office of the Privacy Commissioner of Canada at **www.priv.gc.ca**, and the Canadian Marketing Association website at **www.the-cma.org**, for updates and guidelines. The most recent updates prohibit the use of automated computer programs in the unauthorized collection of email addresses to comply with Canada's anti-spam policy.[71]

Spam

Canada's anti-spam legislation (CASL) came into effect in July 2014 to protect consumers and businesses from unwanted commercial electronic messages (CEMs), including messages to email addresses, social networking accounts, and text messages sent to a cellphone. In 2015, additional legislation was put in place to protect individuals from the installation of computer programs and mobile apps without their prior consent and knowledge. **Spam** refers to the dissemination of unsolicited electronic messages to recipients.

CASL is enforced by the CRTC, the Competition Bureau, and the Office of the Privacy Commissioner of Canada. Contravening CASL can be costly. Administrative monetary penalties for businesses reach as high as $10 million per violation for businesses, with fines of up to $1 million per violation for individuals. An online spam-reporting centre is available at **fightspam.gc.ca** for businesses, organizations, and consumers to file complaints on unsolicited CEMs and those containing false and misleading information.[72]

CASL requires the following conduct with respect to electronic messaging:

- Must have opt-in consent.
- Must include accurate sender information, subject line information, and content.
- Must not be altered and sent to another destination without consent.
- Must include an unsubscribe mechanism.
- Online promotions must not be false or misleading.
- Restrictions on the unauthorized collection of email addresses through automated computer programs.
- Computer software cannot be installed on an electronic device without explicit consent.
- Personal information cannot be collected by unlawfully accessing a computer.



Canada's anti-spam legislation is enforced by the CRTC, the Competition Bureau, and the Office of the Privacy Commissioner of Canada.

Comstock/Jupiterimages

Nonetheless, various exemptions exist, such as those for registered charities that are conducting fundraising, political parties, immediate family members, and legitimate interactions between organizations and its employees. Exemptions also exist for legitimate business inquiries, quotes, applications, complaints, warranties, recalls, and safety or security issues. Since this legislation is relatively new and its legal interpretation is still evolving, marketers are strongly advised to become compliant with the anti-spam legislation, to obtain legal advice on their use of CEMs, and to check the CMA website for updates. The CMA advises marketers to obtain expressed opt-in consent from all business relationships so that they are in compliance with the new CASL law.[73]

Online Behavioural Advertising

Online behavioural advertising (OBA) refers to the tracking of consumers' online browsing activities in order to deliver online ads that correspond to their browsing interests.[74] OBA works by storing a text file (called a *cookie*) in a computer's web browser to track which websites are visited by the browser. It then predicts interests and serves ads that meet these interests.



This AdChoices logo is used by online behavioural advertisers that are compliant with the DAAC.

Used with permission of Digital Advertising Alliance of Canada

The Digital Advertising Alliance of Canada (DAAC) was formed to ensure that consumers were aware of OBA and could opt out of the collection and use of OBA data on their devices. In 2013, the DAAC announced its AdChoices program, a self-regulatory framework that guides online behavioural advertising in Canada, making it consistent with existing privacy laws in Canada and aligned with similar self-regulatory programs in the U.S., Europe, and Australia. AdChoices asks behavioural advertisers to follow a set of OBA principles and use a standardized triangular blue OBA icon next to OBA ads and websites where such data is being collected. Viewers can click on the icon to learn more and opt out, if they so choose.

Advertising Standards Canada monitors program participants for compliance and accepts consumer complaints about OBA as part of the Canadian AdChoices program.[75]

Critical Thinking for Marketing

1. *What role does the Canadian Radio-television and Telecommunications Commission (CRTC) play in Canadian marketing regulations?*
2. *What government body oversees privacy issues in Canada?*
3. *Does self-regulation work? Why or why not?*

Steps in an Environmental Scan

LO 7 Environmental scans are conducted routinely by marketers, often with the help of other departments in an organization to ensure that products and marketing approaches stay relevant and resonate with consumers. An environmental scan will often be conducted annually as part of the marketing planning process, but marketers should be monitoring changes and developments in each area on an ongoing basis.

Here is a quick checklist and a step-by-step guide:

Step 1: Collect the facts and identify trends.

- **Gather data and information.**
  The starting point is to gather accurate and relevant information on all areas of an environmental scan (see Figure 2–7).
- **Conduct competitive reviews.**
  Delve deeper into the competition and conduct a rigorous review of the marketplace to determine competitive practices and new approaches in each area of the marketing mix (product, price, place, and promotion). Understand consumer triggers and their connectivity to a brand by putting on your consumer's hat and visiting stores to review competitive products and speak to sales representatives. Read product reviews and industry research reports.
- **Cluster information into facts and trends.**
  Gather and sort the information you have gathered into facts and trends for each area of the marketing environment scan. Capture this information in a simple table that can be easily understood, such as that shown in Figure 2–8 for the CBC.
  Note: Some information may fall into more than one area in a marketing environment scan. The information should be repeated as necessary to ensure adequate focus.

Figure 2–7 Information sources for an environmental scan

Factors in an Environmental Scan	Sources of Information
Social/Demographic	• Euromonitor reports www.euromonitor.com

Factors in an Environmental Scan	Sources of Information
• Shifts in age, gender, ethnicity, rural or urban populations, family status, home ownership, family life cycle, education, occupation • Evolving attitudes, values, shopping habits, usage of technology, cultural norms, product consumption	• Statista **www.statista.com** • Statistics Canada **www.statcan.gc.ca** • Alliance for Audited Media **www.auditedmedia.com** • Blogs and social media • Euromonitor reports **www.euromonitor.com** • Forrester Research **www.forrester.com** • GFK Group **www.gfk.com** • Interactive Advertising Bureau of Canada **iabcanada.com** • Ipsos Canada **www.ipsos.ca** • Leger **www.leger360.com** • News sources: use Google News **news.google.ca** or newspaper sites, for example, *Globe and Mail* **www.globeandmail.com**, *National Post* **www.nationalpost.com**, *New York Times* **www.nytimes.com** • Numeris **numeris.ca** • Pew Research Center **www.pewresearch.org** • Solutions Research Group **www.srgnet.com** • *Strategy* magazine **strategyonline.ca** • Statista **www.statista.com**
Economic • Changing discretionary and disposable income levels, economic growth, inflation, unemployment rates	• Bank of Canada **www.bankofcanada.ca** • Euromonitor reports **www.euromonitor.com** • Major banks publish reports on the Canadian economy • News sources: use Google News **news.google.ca** or newspaper sites, for example, *Globe and Mail* **www.globeandmail.com**, *National Post*

Factors in an Environmental Scan	Sources of Information
	www.nationalpost.com), *New York Times* **www.nytimes.com** • Organisation for Economic Co-operation and Development (OECD) **www.oecd.org** • Statistics Canada **www.statcan.gc.ca** • Statista **www.statista.com**
Technological • Technological inventions and innovations that impact business	• Euromonitor reports **www.euromonitor.com** • GFK Group **www.gfk.com** • Industry Canada **www.ic.gc.ca** • News sources: use Google News **news.google.ca** or newspaper sites, for example, *Globe and Mail* **www.globeandmail.com**, *National Post* **www.nationalpost.com**, *New York Times* **www.nytimes.com** • Trade magazines
Competitive • Change in the competition's marketing mix—product, price, place, and promotion—as well as changes in the structure of the industry	• Blogs and social media • Competitors' websites • comScore reports **www.comscore.com** • *eMarketer* **www.emarketer.com** • Industry association websites • Industry Canada **www.ic.gc.ca** • Nielsen Canada reports **www.nielsen.com** • News sources: use Google News **news.google.ca** or newspaper sites, for example, *Globe and Mail* **www.globeandmail.com**, *National Post* **www.nationalpost.com**, *New York Times* **www.nytimes.com** • Product reviews and industry research reports • SEDAR **www.sedar.com** or EDGAR **www.sec.gov/search/search.htm** • *Strategy* magazine **strategyonline.ca**

Factors in an Environmental Scan	Sources of Information
	• Statista www.statista.com • Trade publications and industry articles • Visit retailers and see what the competition is doing • World Advertising Research Center (WARC) www.warc.com
Regulatory • Evolving federal and provincial legislation and industry association guidelines	• Advertising Standards Canada www.adstandards.ca • Canadian Marketing Association www.the-cma.org • Canadian Radio-television and Telecommunications Commission www.crtc.gc.ca • Competition Bureau www.competitionbureau.gc.ca • Industry association websites • Euromonitor reports www.euromonitor.com • Government of Canada www.canada.gc.ca • Law firms and consultants: Gowlings www.gowlingwlg.com), Deloitte www2.deloitte.com • Office of the Privacy Commissioner www.priv.gc.ca

Step 2: Determine the impact that this fact/trend will have on the business.

- **Set business objectives.**
  Based upon your analysis and the state of your current business, determine business objectives.
- **Analyze the external trends to determine their impact.**

Determine the impact (positive or negative) that each trend will have on the business.

Step 3: Brainstorm, evaluate, and implement ideas to meet business objectives.

- **Brainstorm.**
  Brainstorm ideas that address the facts, trends, and business objectives. All reasonable ideas should be considered at this point as they will be screened down to a few actionable elements in the subsequent step.
- **Evaluate and implement alternatives.**
  Evaluate the realistic alternatives against the business objectives and select those that are worthwhile and can be implemented.

For greater clarification, review the marketing environmental scan for the CBC ( **Figure 2–8**). CBC monitors its external environment regularly, so it has been able to determine which external factors are changing and which will have an impact on its business.

Figure 2–8 Impact of an environmental scan—CBC

Factors in an Environmental Scan	**STEP 1** **Facts and Trends** Collect the facts and identify trends in each category.	**STEP 2** **Determine Impact** Analyze each external trend to determine its impact on the business.	**S** **Ideas for I** Brainst and imple meet obj
Social Factors	• Increase in number of Canadians primarily coming as new immigrants or with an immigrant background. • Decrease in religious beliefs. • Aging Canadian population. • Consumers abandoning	• Decrease in revenue due to inadequate content based on current consumer preferences.	• Develop content languag • Embed individu existing • Support populati media a

Factors in an Environmental Scan	STEP 1 Facts and Trends Collect the facts and identify trends in each category.	STEP 2 Determine Impact Analyze each external trend to determine its impact on the business.	S Ideas for I Brainst and imple meet obj
	traditional television subscriptions.		
Economic Factors	• Increase in interest rates post COVID-19 pandemic. • Spending in media is stable with an increase in GAFAM+ adoption.	• Decrease in revenue and consumer engagement as means of accessing content does not keep up with current consumer demands. • Content viewership could grow as consumer discretionary income is shrinking due to interest rates and the CBC is a relatively low-cost entertainment/ news option.	• Develop content/ • Increase accessib with low
Technological factors	• Increase in digital media consumption in Canada. • Proliferation of smartphones and the Internet.	• Decrease in revenue if CBC does not keep up with Canadian media consumption habits.	• Develop digital c platform • Integrate consum mobile p laptops,
Competitive factors	• Increase in over-the-top (OTT) competitors/ technology.	• Decrease in revenue from traditional television/radio programming.	• Integrate tradition media.

Factors in an Environmental Scan	STEP 1 Facts and Trends Collect the facts and identify trends in each category.	STEP 2 Determine Impact Analyze each external trend to determine its impact on the business.	S Ideas for I Brainst and imple meet obj
Regulatory factors	• Governed by *Broadcasting Act of 1991*. • Online streaming act being legislated. • Amount of Canadian content is on the CBC is legislated.	• CBC is responsible to produce/air Canadian content. • Future change in regulation will impact internal processes/procedures.	• Develop and proc adhere t stemmin *Streami* • Continu Canadia tailored world ar

The CBC was discussed in this chapter's opening vignette. After gathering data and information on the market and competition, CBC identified potential opportunities and determined the approach it wanted to take.

Summary...just the facts

LO 1 • An environmental scan is the process of continually acquiring information on events occurring outside an organization to identify external trends that are opportunities or threats to a business.

LO 2 • Elements in an environmental scan include social factors, economic factors, technological factors, competitive factors, and regulatory factors.

LO 3 • Demographics is the statistical data about a population according to characteristics such as gender, age, ethnicity, income, education, and occupation.

- Social forces look at demographics, cultural values, ideas, and attitudes, as well as society's morals and beliefs.

LO 4 • Economic forces consider macro and micro environmental factors. These forces reflect the state of the overall economy as well as the ability of consumers to spend.

LO 5 • Technological forces relate to scientific inventions and innovations that may impact the running of a business and influence consumer behaviour and interactions.

LO 6 • Competitive forces refer to direct and indirect competitors as well as the competitive nature of the market in which they function.

- Regulatory forces are the restrictions placed on businesses, products, or services by the government or industry associations.

LO 7 • Steps in a marketing environment scan involve (1) collecting the facts and identifying trends, (2) determining the impact that these facts/trends will have on the business, and (3) brainstorming, evaluating, and implementing ideas.

Key Terms and Concepts...a refresher

baby boomers

binge watching

competitive forces

cord cutters

demographics

direct competitors

discretionary income

disposable income

Do Not Call List (DNCL)

economy

environmental scan

Generation X

Generation Y

Generation Z

gross domestic product (GDP)

gross income

indirect competitors

inflation

interest rates

Internet of Things (IoT)

macroeconomic forces

microeconomic forces

millennials

monopolistic competition

monopoly

oligopoly

online behavioural advertising (OBA)

perfect competition

recession

regulations

showrooming

situation analysis

social TV

social forces

socio-cultural forces

spam

SWOT analysis

technological forces

unemployment rate

Hands-on... APPLY YOUR KNOWLEDGE

Focus on social factors. The Marketing Matters box, **Ukrainian Consumers in Canada**, focused on the history and present state of Ukrainian Canadians and their influence on commerce in Canada. There are many articles that have been written on the topic of ethnic marketing. Do some research on the topic and choose a company that has adopted ethnic marketing strategies. Outline its strategies and tactics. Has it been successful? What should the company do next?

Chapter Vignette… ACTIVITY

This chapter's opening vignette examines the massive changes made at the CBC based upon the changes taking place in the external environment. Assume that you are a marketing manager for Global TV or CTV. How would you respond to these changes and better compete?

Marketing YOU

Marketers conduct an environmental scan looking at five key external areas namely; social forces, economic forces, technological forces, competitive forces, and regulatory forces.

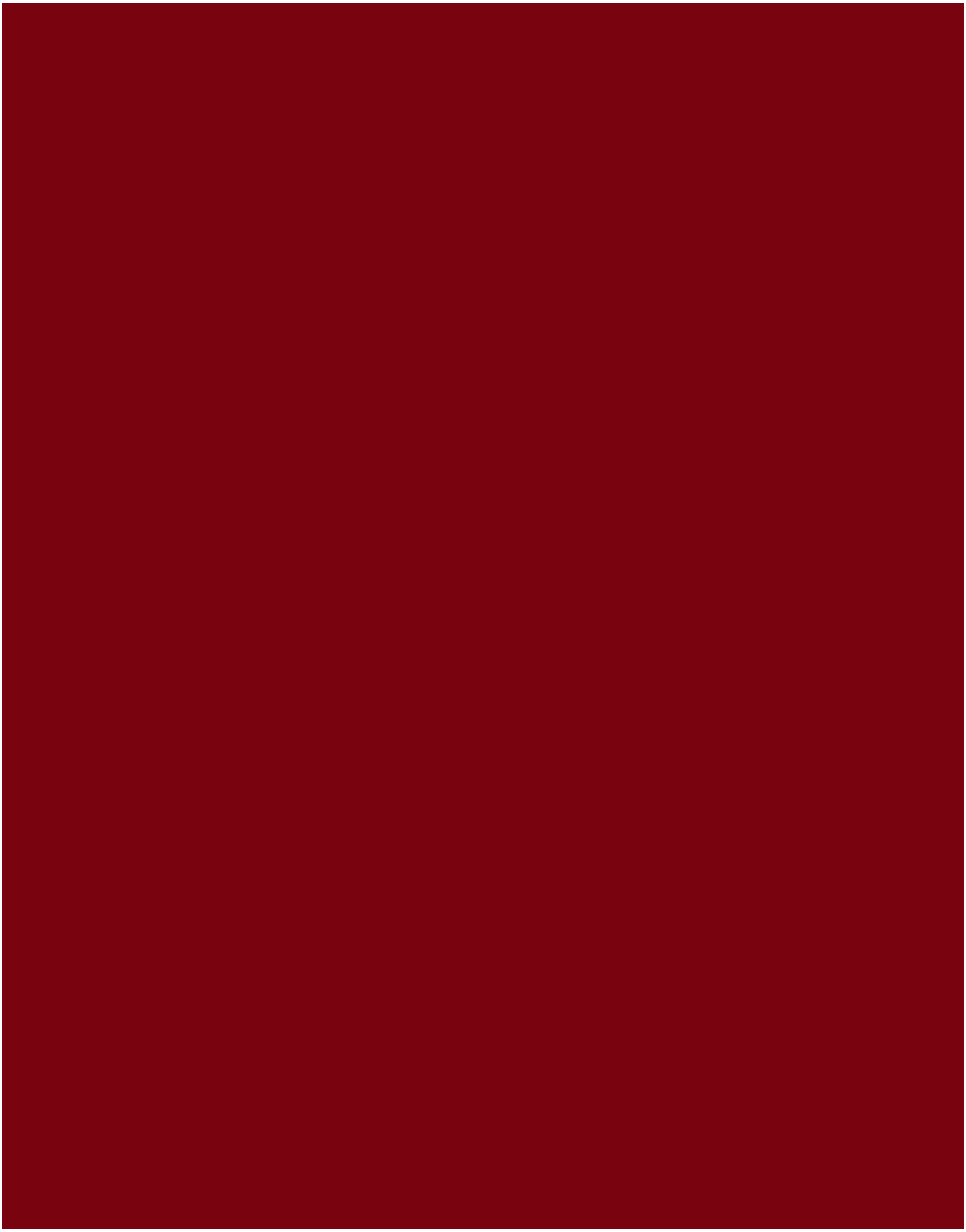
The study of populations is referred to as demographics and falls under social forces. Marketers group generations together based on the similar events people have experienced that might bind them together and affect their purchase habits, how they interact with the world, and their activities and interests. Each generation can be found to have different tastes, consumption patterns, and attitudes. However, it is also true that each generation is made up of individuals with their own interests and tastes.

As part of a defined generation you might find you have interests and tastes similar to those of your classmates. However, spending some time to reflect and identify your own interests and preferences is one way to identify what is unique about you. Your hobbies and interests are things you tend to do in your spare time and are keys to identifying what activities give you energy and joy. This information can be used to complete circle one, What You Love in the **ikigai diagram**.

Activity:

1. List the interests, hobbies and extracurricular activities that you have enjoyed participating in over the past few years. Where do you spend your spare time?
2. List the school subjects you like and tend to do well in.
3. List the YouTube channels that you subscribe to or the TikTok influencers you follow.
4. When you go into a bookstore or purchase a book online, what are the types of books you tend to read or buy?
5. Reflect on what it is about your interests that you really enjoy. Can you identify any patterns?

PART 2
UNDERSTANDING MARKETS AND THEIR BEHAVIOUR



Chapter 3
Customer Behaviour



Song_about_summer/ Shutterstock

LEARNING OBJECTIVES

LO 1 Describe the stages in the customer purchase decision process

LO 2 Distinguish among three variations of the customer purchase decision process: routine, limited, and extended problem solving

LO 3 Describe how situational influences affect the customer purchase decision process

LO 4 Explain how psychological influences affect customer behaviour, particularly customer purchase decision processes

LO 5 Identify major socio-cultural influences on customer behaviour and their effects on purchase decisions

LO 6 Discuss the importance of culture and subculture in determining customer behaviour

CHAPTER OUTLINE

- Learning from buyer journeys
- Customer purchase decision process
- Situational influences on customer decisions
- Psychological influences on customer behaviour
- Socio-cultural influences on customer behaviour

CHAPTER FEATURES

The Resilient Customer

How the resilient customer manages uncertain economic times.

What Defines Wealth?

What making socially responsible customer choices tells others.

By understanding how customer make decisions, marketers can develop products, services, and offerings to address the problems customer recognize. As customers leverage technology more, marketers need to be strategic in how they use the information they collect. Some organizations develop this expertise internally, while others look to powerhouses in the industry to help them understand customer behaviour better.

In 2021, two companies, Sherpa Marketing and McKim Communications Group combined to create a powerful marketing organization, and recently, rebranded as The Show and Tell Agency. Developing great advertising strategy is a crucial agency skill, and when combined with the ability to create incredible digital experiences, effectively gather data, and convert data into insight, the results for clients are impressive.

“Understanding the customer purchasing decision process, or buyer journey, is the first step in a successful marketing campaign,” says Glenn Cressman, Chief Client Officer at The Show and Tell Agency. “An effective message lands best when it is in front of its intended audience at their moment of intent.”

All of the organization's campaigns highlight how the customer moves through online properties. By understanding what different customer personas do, The Show and Tell Agency can recommend better ways to reach them and better messages to give them. The suite of tools The Show and Tell Agency provides its clients balance automation and empathy, allowing for an effective online experience for the user.

The marketing efforts adapt and improve during the process as The Show and Tell Agency collects data on the how customer are interacting with the online properties. Essentially, the company gathers real-time feedback on the customer decision-making process, allowing its clients to spend their marketing dollars more effectively.

“As Chief Client Officer, I am charged with making sure clients prosper by connecting them with the people and solutions The Show and Tell Agency can offer to build their revenue and marketing proficiency,” says Glenn. Traditional marketing when enhanced with marketing innovation uncovers new opportunities for growth for the business seeking The Show and Tell Agency's expertise.

The Show and Tell Agency consultants bring marketing, sales, and information technology together when reaching customers. Because of technology, the customer purchase decision process may seem more simultaneous than sequential. Canadians are bombarded with digital advertising every day. They regularly receive so much information that they may already have a lot of knowledge prior to making any purchase decisions. The marketer's job, then, is to participate in that customer research process and provide timely, customer-centric solutions at every touch point during their buying journey.[1]

***reality* CHECK**

As you read Chapter 3, refer back to the The Show and Tell Agency vignette to answer the following questions:

- How can marketers prepare for the changing needs of consumers?
- Why is the online experience for a consumer so important to their consumer purchase decision process?

Customer Purchase Decision Process

LO 1 Whether you are purchasing toothpaste or a new laptop for school, behind the visible act of making a purchase lies an important decision process. The stages that a customer passes through when making choices about which products and services to buy is the **purchase decision process**. This process has five stages, as shown in **Figure 3–1**: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behaviour. Although technology has not changed the core elements of the process, the introduction of online and mobile technology has allowed customers to make faster and more informed decisions.

Figure 3–1 Purchase decision process



A customer's involvement in the purchase decision process varies based on the complexity of the decision. The time spent in each stage will depend on various factors, including what is being purchased. Access to information makes it a lot easier for Canadians to make decisions, and access to credit makes purchasing items easier, as well. This has put Canadians in a challenging situation where they are now laden with debt.[2]

Furthermore, businesses make decisions that follow a similar purchase decision process when considering products and services from suppliers. **Chapter 5** looks at marketing to organizations in detail, including the different approaches required due to the magnitude of the decisions needed.

Problem Recognition: Perceiving a Need

Problem recognition, the initial step in the purchase decision, occurs when a person realizes that the difference between what they have and what they would like to have is big enough to actually do something about it. The problem can be solved or the need can be met by purchasing a good or a service.[3] The process may be triggered by a situation as simple as finding no milk in the refrigerator. It could be more tenuous for a college or university student realizing their wardrobe is not in style with other classmates.

Furthermore, problem recognition can be as complex as purchasing a new laptop computer to excel in studies. In marketing, advertisements, salespeople, or peers activate the customer purchase decision process by highlighting the shortcomings of existing products and services. Consider smartphone advertisements that have stimulated problem recognition by emphasizing maximum use from one device.

Information Search: Seeking Value

After recognizing a problem, customers begin to search for information about what product or service might satisfy the newly discovered need. First, they may scan their memory for knowledge of or previous experiences with products or

brands. This action is called *internal search*. For frequently purchased products such as shampoo and conditioner, an internal search may be all a customer needs.

If the decision is more complex, however, a customer may undertake an *external search* for information.[4] An external search is beneficial when a customer lacks experience with or knowledge about a product, the risk of making a bad decision is high, and the cost of gathering information is low. The primary sources of external information are *personal sources*, such as relatives and friends who the customer trusts; *public sources*, including various product-rating organizations such as *Consumer Reports* or government agencies; and *marketer-dominated sources*, such as information from sellers that includes advertising, company websites, salespeople, and point-of-purchase displays in stores.

During their daily lives, customers engage with multiple screens, which adds additional content to their information search.[5] This additional information allows customers to make better choices and factor concepts like sustainability into their buying decisions. For example, customers are more aware of food insecurity and their ability to reduce food waste. The evolving views of customers towards the environment, waste, and consumption, along with other social considerations, may impact purchase decisions.

When purchasing a smartphone, your information search may include friends and relatives, advertisements for smartphones, brand and company websites, and stores carrying smartphones (for demonstrations). You might also study comparable evaluations of various smartphones as found in *Consumer Reports*, either published in hard copy or found online.

Once you have your smartphone, you will experience how mobile technology has added new behaviours to the customer purchase decision process. *Showrooming* is an example of how all organizations, not just retailers, must integrate online mechanisms to optimize the overall customer experience. Since customers can now review products and prices online, organizations that do not seamlessly incorporate online tools and technologies into their marketing, sales, and customer service efforts will be at a distinct competitive disadvantage. Online marketing is essential to small and medium-size businesses, as customers in Asia and North America have a high tendency to exhibit this showrooming behaviour.[6]

Evaluation of Alternatives: Assessing Value

The information search stage clarifies the problem for the customer by suggesting criteria, or points to consider, for the purchase; providing brand names that might meet the criteria; and developing customer value perceptions. What selection criteria would you use in buying a smartphone? Would you use price, features, or some other combination?



Samsung continues to be a strong competitor in the smartphone market with offerings like the Galaxy Z Flip4.

Quang NGUYEN DUC/Alamy Stock Photo

Think about all the factors you may consider when evaluating smartphones. These factors are a customer's *evaluative criteria*, which represent both the objective attributes of a brand (such as the number of applications available on the iPhone versus the Samsung Galaxy) and the subjective ones (such as the status of a business executive owning a iPhone) you use to compare different products and brands.[7] Firms try to identify and make the most of both types of evaluative criteria to create the best value for customers. These criteria are often emphasized in advertisements.



Smartphones have become an integral part of society and the customer purchase decision process.

Dmitriy Shironosov/123RF

For a product like a smartphone, the information search process would probably involve visiting wireless providers such as Rogers and Telus, checking out these providers' websites, and talking to friends who own smartphones. Customers often have several criteria for comparing products. For example, among the evaluative criteria you might think of, suppose that you focus on two that are crucial for you, namely pixel density and screen size. These criteria determine the brands in your *evoked set*—the group of brands that a customer would consider acceptable from among all the brands in the product class of which the customer is aware.[8] In this example, your two evaluative criteria may result in an evoked set of two brands (Samsung Galaxy and iPhone).

Economic uncertainty can impact customer spending through the customer decision-making process. For a further discussion about brands and their impact on customer purchase behaviour during tougher times, see the Marketing Matters box, **The Resilient Customer**.[9]

Marketing Matters

The Resilient Customer

Customer decisions are influenced by a number of factors. One of the psychological influences on decisions is the brand loyalty developed through learning. Corporate logos help customerrs form strong perceptions of organizations allowing customers to align themselves to brands that reflect their own self-concepts and self-images.

When news channels raise concerns about the economy, it is natural for a Canadians to be concerned. The uncertainty of interest rates, future jobs, and the housing market can cause the average customer to worry.



To maintain resilience during uncertain times, customers may choose brand substitutes.

sockagphoto/Shutterstock

In 2022, after several world events caused the Canadian economy to experience high inflation, Canadian customers remained resilient. Although more people were feeling a financial pinch because of rising interest rates, this antecedent state did not create a lot of change in customer spending. In fact, Canada's banking executives suggested their confidence in customer resilience. Prior to 2022, the global pandemic had allowed Canadians to create more of a savings cushion than they'd had in the past.

Recessions are defined as two financial quarters of decline in economic activity. In 2022, many economists predicted a recession in the following year; however, unemployment was not rising and companies continued to hire as job openings grew faster than the applicant pool.

The global pandemic had generated a short-lived recession that was addressed with numerous government programs. Then, in 2022 and beyond, Canadians' savings were starting to deplete and debt levels were beginning to rise.

Advice to Canadians to survive uncertainties in the economy, and a recession in particular, include:

- Postponing major spending.
- Avoiding debt.
- Locking in mortgage and loan interest rates.

Furthermore, customers may choose to move to generic brands to reduce monthly costs. Being more in control of your finances creates a positive antecedent state with less anxiousness and more cash on hand.

Questions

1. How does the economy and your current financial situation make you feel as a customer?
2. As a customer, give examples of brands that elicit positive associations and that you would purchase regardless of the state of the economy. Explain why.

Purchase Decision: Buying Value

Having examined the alternatives in the evoked set, you are almost ready to make a purchase decision. Three choices remain: the chosen brand, from whom to buy, and when to buy. The choice of which wireless provider to buy from will depend on such considerations as the provider's location, your past experience buying from the provider, and the return policy.

Deciding when to buy is frequently determined by a number of factors. For instance, you might buy sooner if one of your preferred brands is on sale or its manufacturer offers a rebate. Other factors, such as the store atmosphere, pleasantness of the shopping experience, salesperson persuasiveness, time pressure, and financial circumstances, could also affect whether a purchase decision is made or postponed. If your decision is the latest Samsung Galaxy, you may decide to buy it from Telus because it offers unlimited nationwide calling as an added incentive.

Technology has enabled the process of gathering information, evaluating alternatives, and making buying decisions. The addition of this technological dimension to the customer purchase decision process can accelerate the process because it puts information at customers' fingertips.

Effects of Mobile Technology on Purchase Behaviour

Mobile devices are not only popular customer purchases, they are enablers of the customer purchase decision. Mobile devices have allowed the purchase decision to evolve by making the information search and purchase decision stages easier. The younger and future customer expects an online presence from companies and uses technology to research products, voice opinions, and express needs.[10]



By using kiosks or purchasing tickets online, moviegoers can avoid the traditional lineups at the theatre.
SOPA Images Limited / Alamy Stock Photo

Mobile devices have empowered customers a great deal and caused companies to take notice. Best Buy uses a variety of strategies to successfully retain customers in its stores, even those who exhibit showrooming behaviour.[11] Cineplex Entertainment has leveraged mobile technology to enhance the customer experience. When choosing a movie at the theatre, tickets can be purchased online at your home computer, at the box office, or at an on-site kiosk. Cineplex Mobile offers an easy-to-use service for moviegoers to purchase tickets online.

Post-purchase Behaviour: Value in Consumption or Use

After buying a product, the customer compares it with their expectations and is either satisfied or dissatisfied. A company's sensitivity to a customer's consumption experience strongly affects the value a customer perceives after the purchase. Studies show that satisfaction or dissatisfaction affects customer communications and repeat purchase behaviour. Satisfied buyers tell three other people about their experience. Dissatisfied buyers complain to nine people![12] Furthermore, mobile technology allows buyers to share complaints and dissatisfaction in a more timely manner with even more reach.

In response, some companies are hiring employees to exclusively monitor sites such as X (formerly known as Twitter) and interact with unsatisfied customers right on the site. They are beginning to realize that the voice of the customer on the Web is very powerful. Customer s who are not finding satisfaction when a problem occurs may take matters into their own hands online. If a company were to google its name followed by the word "sucks," it will find a large number of hits that consist of negative stories about customers' experiences with its products. Other customers are venting their frustrations on X and Facebook. Progressive companies use this feedback as an opportunity to link up with these disgruntled customers and resolve the problems.



Cognitive dissonance is the anxiety or tension felt after a purchase.

noppawan09/Shutterstock

Often, a customer is faced with two or more highly attractive alternatives, such as choosing between an iPhone and a Samsung Galaxy. If you choose the Samsung Galaxy, you may think, "Should I have purchased the iPhone?" This feeling of post-purchase psychological tension or anxiety is called *cognitive dissonance*. To alleviate it, customers often attempt to applaud themselves for making the right choice. So, after purchase, you may seek information to confirm your choice by asking friends questions like, "What do you think of my new smartphone?" or by reading ads of the brand you chose. You might even look for negative features about the brand you didn't buy.

Firms often use ads or follow-up calls from salespeople in this post-purchase stage to assure buyers that they made the right decision. It is important for firms to address customer feelings of dissonance as it impacts their satisfaction and loyalty levels.[13]

Involvement and Problem-Solving Variations

LO 2 Depending on the purchase decision, customers may not engage in the five-step purchase decision process in the same manner. They may skip or minimize one or more steps depending on the level of **involvement** required. The level of involvement that a customer has in a particular purchase depends on the personal, social, and economic consequences of that purchase to the customer.[14] Items such as soft drinks or toothpaste may have such a low level of involvement for customers that they may skip or minimize one or more steps in the process. But customers may do just the opposite for a high-involvement purchase like a computer or an automobile.

High-involvement purchase occasions typically have at least one of three characteristics: the item to be purchased is expensive; it is bought infrequently; or it could reflect on one's social image. For these occasions, customers engage in extensive information search, consider many product attributes and brands, form attitudes, and participate in word-of-mouth communication.

Marketers who sell high-involvement products such as cars, homes, and computers must understand the information gathering and evaluation process of customers. Researchers have identified three general variations in the customer purchase

process based on customer involvement and product knowledge. Figure 3–2 summarizes some of the important differences between the three problem-solving variations.[15]

Figure 3–2 Comparison of problem-solving variations

	Range of Customer Involvement Low ⟵ ⟶ High		
Characteristics of Purchase Decision Process	**Routine Problem Solving**	**Limited Problem Solving**	**Extended Problem Solving**
Number of brands examined	One	Several	Many
Number of sellers considered	Few	Several	Many
Number of product attributes evaluated	One	Moderate	Many
Number of external information sources	None	Few	Many
Time spent searching	Minimal	Little	Considerable

Routine Problem Solving

For products such as table salt and milk, customers recognize a problem, make a decision, and spend little effort seeking external information and evaluating alternatives. The purchase process for such items is virtually a habit and typifies low-involvement decision-making. Routine problem solving is typically the case for low-priced, frequently purchased products. An example is a customer who stops by Tim Hortons on their way to work and purchases a coffee and a bagel. The customer doesn't ponder the potential benefits of going to a Second Cup or specialty coffee store even though they are all on that person's way to work. Marketers strive to attract and maintain habitual buying behaviour by creating strong brand relationships with the customer.

Limited Problem Solving

Limited problem solving is characterized by low customer involvement but significant perceived differences among brands. For example, a customer loves Activia yogourt but switches to BioBest yogourt, not out of dissatisfaction but just out of a desire to try something new. The customer may have spent a moderate amount of time evaluating the available brands in the store before selecting BioBest.

With limited problem-solving behaviour, customers rely on past experience more than external information, but they may pay attention to new varieties shown in advertising and point-of-purchase displays. Marketers of leading brands should focus on getting customers to shift to routine problem-solving behaviour by dominating shelf space and running advertisements that remind customers of the benefits of their brands. Customers might use limited problem solving when choosing a pair of jeans, deciding on a restaurant for lunch, and making other purchase decisions in which they want to spend little time or effort researching options.



Customers might use limited problem solving when choosing a restaurant for lunch.

fizkes/Shutterstock

Extended Problem Solving

In extended problem solving, each of the five stages of the customer purchase decision process is used in the purchase, including considerable time and effort spent on an external information search and identifying and evaluating alternatives. Several brands are in the evoked set, and these are evaluated on many attributes. Extended problem solving exists in high-involvement purchase situations for items such as automobiles, houses, and financial investments.

Customer Purchase Decision Process Influencers

Whether decisions require routine, limited or extended problem solving, a company's marketing mix influences the customer purchase decision process. Marketers consider all factors that influence the customer during their journey across the customer purchase decision process.

Customer touchpoints are the contacts customers have with products, services, or any other point that would influence the perception of the brand. If these touchpoints are plotted along side the five parts of the customer purchase decision process, marketers can create a **customer journey map** to visually represent the buyer journey.

Figure 3–3 shows how the marketing mix and other influences play a role in decisions. The decision to buy a product can be impacted by important situational, psychological, and socio-cultural influences. These influences are discussed throughout the remainder of this chapter.

Figure 3–3 Influences on the customer purchase decision process



Critical Thinking for Marketing

1. *How has technology impacted the customer purchase decision process?*

2. *How can marketers reduce the post-purchase anxiety or cognitive dissonance in customer ?*

Situational Influences on Customer Decisions

LO 3 Often, the purchase situation will affect the purchase decision process. Five *situational influences* have an impact on your purchase decision process: the purchase task, social surroundings, physical surroundings, temporal effects, and antecedent states.[16]

1. The *purchase task* is the reason for engaging in the decision in the first place. Information searching and evaluating alternatives may differ depending on whether the purchase is a gift, which often involves social visibility, or for the buyer's own use. For example, some consumers may be frugal shoppers when it comes to purchasing products for themselves, but may spend lavishly if the product is a gift for a friend.
2. *Social surroundings*, including the other people present when a purchase decision is made, may also affect what is purchased. For example, Paco Underhill, a behavioural research consultant, has shown that when two women shop together, they spend more time in the store shopping than they would if they were alone.[17]
3. *Physical surroundings* such as decor, music, and crowding in retail stores may alter how purchase decisions are made. Crowding, for example, is a two-edged sword. When consumers see a throng of people in the Apple Store, they may be eager to enter the store to be part of the experience. On the other hand, some people may be turned off because they don't like shopping in a crowded environment.
4. *Temporal effects*, such as time of day or the amount of time available, will influence where consumers have breakfast and lunch and what is ordered.
5. Finally, *antecedent states*, which include the consumer's mood or the amount of cash on hand, can influence purchase behaviour and choice. Canadians are incurring more debt, and the Canadian economy can be uncertain at times. How someone perceives their financial situation may positively or negatively influence their propensity to spend.

Psychological Influences on Customer Behaviour

LO 4 Psychology helps marketers understand why and how customers behave as they do. In particular, concepts such as motivation and personality; perception; learning; values, beliefs, and attitudes; and lifestyle are useful for interpreting buying processes and directing marketing efforts. Although every customer is a unique individual, common factors can cause similar behaviours.

MARKETING TIP

"Understanding the customer purchasing decision process, or buyer journey, is the first step in a successful marketing campaign."

- Glenn Cressman, chief client officer, The Show and Tell Agency

Motivation and Personality

Motivation and personality are two familiar psychological concepts that have specific meanings and marketing implications. They are both used frequently to describe why people do some things and not others.

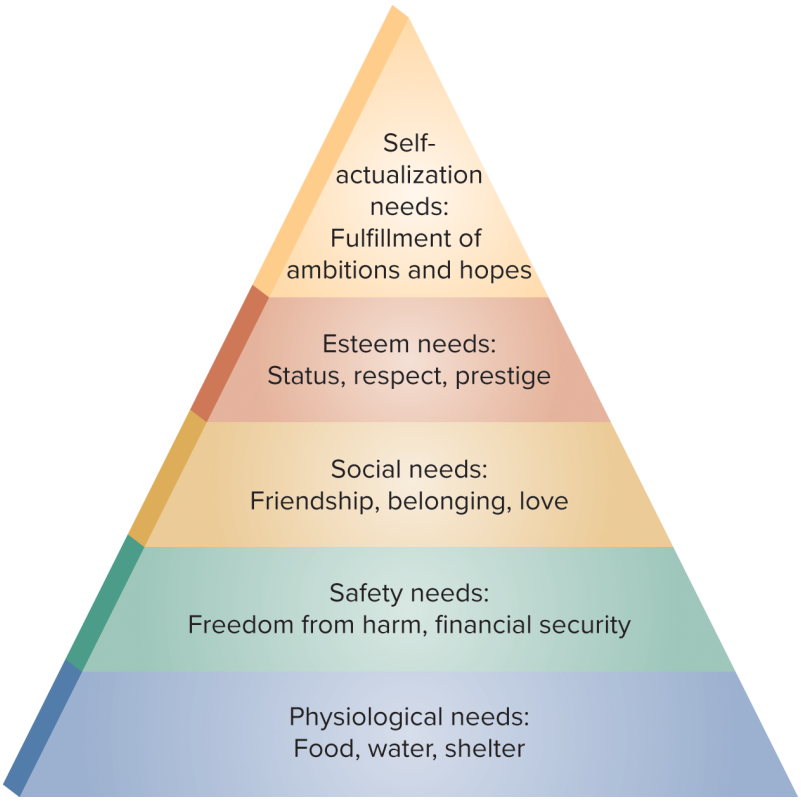
Motivation

Motivation is the energizing force that stimulates behaviour to satisfy a need. Because customer needs are the focus of the marketing concept, marketers try to arouse these needs.

An individual's needs are boundless. People have physiological needs for basics such as water, food, and shelter. They also have learned needs, including esteem, achievement, and affection. The late psychologist Abraham Maslow developed a theory that characterized needs and arranged them into a hierarchy. He argued that people take care of their lower-level needs first and then are motivated to satisfy their higher-level needs. **Figure 3–4** shows Maslow's hierarchy of needs, which contains the following five need classes:[18]

1. *Physiological needs* are basic to survival and must be satisfied first. A fast-food advertisement featuring a juicy hamburger attempts to activate the need for food.
2. *Safety needs* involve self-preservation and physical well-being. Smoke detector and burglar alarm manufacturers focus on these needs. Michelin combines security with parental love to promote tire replacement for automobiles.
3. *Social needs* are concerned with love and friendship. Dating services such as eHarmony and fragrance companies try to arouse these needs.
4. *Esteem needs* are represented by the need for achievement, status, prestige, and self-respect. Using the TD Aeroplan Visa Infinite credit card and shopping at Holt Renfrew appeal to these needs. Sometimes, firms try to arouse multiple needs to stimulate problem recognition.
5. *Self-actualization needs* involve personal fulfillment. For example, travel providers offer specialized educational and exotic trips to enhance a consumer's life experience.

Figure 3–4 Maslow's hierarchy of needs



While Maslow believed that needs were innate, studies have found that social culture contributes to our identification of these needs. Therefore, it is essential for marketers to first understand our consumer needs in order to satisfy them.[19]



Shopping malls like the West Edmonton Mall host various customers with different purchase decision motivations.

Nick Fox/Shutterstock

Personality

Personality refers to a person's character traits that influence behavioural responses. Although numerous personality theories exist, most identify key traits such as assertiveness, extroversion, compliance, dominance, and aggression, among others. Research suggests that compliant people prefer known brand names and use more mouthwash and toilet soaps. In contrast, aggressive types use razors, not electric shavers; apply more cologne and after-shave lotions; and purchase signature goods such as Gucci, Yves St. Laurent, and Donna Karan as an indicator of status.[20]



Dove Men+Care products appeal to the trend of men concerned about body image and grooming.

©Editorial Image, LLC/Alamy Stock Photo

Personality characteristics are often revealed in a person's *self-concept*, which is the way people see themselves and the way they believe others see them. Marketers recognize that people have an actual self-concept and an ideal self-concept. The actual self refers to how people actually see themselves. The ideal self describes how people would like to see themselves. Marketers appeal to these two self-images in the products and brands a person buys, including automobiles, home appliances and furnishings, magazines, clothing, grooming products, and leisure products, and in the stores where a person shops. The use of attractive models in ads for grooming products appeals to a person's ideal self-concept. Men are becoming more concerned about their self-concept when it comes to body image and grooming. Unilever has responded to this trend by introducing a line of grooming products for men called Dove Men+Care.

"Research suggests that compliant people prefer known brand names and use more mouthwash and toilet soaps."

Perception

One person sees a Porsche as a mark of achievement; another sees it as showing off. This is the result of **perception**—that is, the process by which an individual selects, organizes, and interprets information to create a meaningful picture of the world.

Selective Perception

The average customer operates in a complex, information-rich environment. The human brain organizes and interprets all this information with a process called *selective perception*, which filters the information so that only some of it is understood or remembered or even available to the conscious mind. *Selective exposure* occurs when people pay attention to messages that are consistent with their attitudes and beliefs, and ignore messages that are inconsistent. Selective exposure often occurs in the post-purchase stage of the customer decision process, when customers read advertisements for the brand they just bought. It also occurs when a need exists—you are more likely to "see" a McDonald's advertisement when you are hungry rather than after you have eaten a pizza.

Selective comprehension involves interpreting information so that it is consistent with your attitudes and beliefs. A marketer's failure to understand this can have disastrous results. For example, Toro introduced a small, lightweight snow blower called the Snow Pup. Even though the product worked, sales failed to meet expectations. Why? Toro later found out that

customers perceived the name to mean that Snow Pup was a toy or too light to do any serious snow removal. When the product was renamed Snow Master, sales increased sharply.[21]

Selective retention means that customers do not remember all the information they see, read, or hear, even minutes after exposure to it. This affects the internal and external information-search stage of the purchase decision process. This is why furniture and automobile retailers often give customers product brochures to take home after they leave the showroom.

Perceived Risk

Consumers' beliefs about the potential negative consequences of a product or service strongly affect their purchasing decisions. **Perceived risk** represents the anxieties felt because the customer cannot anticipate the outcomes of a purchase but believes that there may be negative consequences. Examples of possible negative consequences concerning snowboarding are the price of the product (Can I afford $400 for a snowboard?) and the risk of physical harm (Is snowboarding more dangerous than alpine skiing?). Some products such as hair colouring lend themselves to perceived risk. There is always the fear that the hair colouring may not turn out to the customer's satisfaction. Perceived risk affects the information-search step of the purchase decision process: the greater the perceived risk, the more extensive the external search is likely to be.



In 2016, Cristiano Ronaldo signed a lifetime endorsement deal with Nike.

©Islandstock/Alamy Stock Photo

Recognizing the importance of perceived risk, smart marketers develop strategies to make customers feel more at ease about their purchases. Strategies and examples of firms using them include the following:

- **Obtaining seals of approval:** The Good Housekeeping seal that appears on many brands.
- **Securing endorsements from influential people:** Nike products endorsed by athletes like LeBron James and Cristiano Ronaldo.
- **Providing free trials of the product:** Samples of perfume offered at Hudson's Bay.
- **Providing illustrations:** Photos of different colours and hairstyles on Clairol Canada's website.
- **Providing warranties and guarantees:** BMW's four-year, 80,000-kilometre warranty.[22]



New BMW vehicles like this one have a four-year, 80,000-kilometre warranty.

Guitar photographer/Shutterstock

Learning

Why do customers behave in the marketplace as they do? Over customers' lifetimes, they learn behaviours and they also learn responses to those behaviours—this learning is a continual process. Customers learn which sources to use for information about products and services, which evaluative criteria to use when assessing alternatives, and how to make purchase decisions. **Learning** refers to those behaviours that result from repeated experience and reasoning.

Behavioural Learning

Behavioural learning is the process of developing automatic responses to a type of situation built up through repeated exposure to it. Four variables are central to how people learn from repeated experience: drive, cue, response, and reinforcement. A *drive* is a need, such as hunger, that moves an individual to action. A *cue* is a stimulus or symbol that one perceives. A *response* is the action taken to satisfy the drive, and a *reinforcement* is the reward.

When hungry (a drive), a customer sees a cue (a billboard), takes action (buys a hamburger), and receives a reward (it tastes great!). If what the customer experiences upon avoiding a stimulus is favourable (I don't feel sick now!), then *negative reinforcement* has occurred. Behavioural learning plays a major role in consumer decision-making—in this case, causing the customer to avoid the behavioural response rather than repeat it.

> *"Consumers familiar with one product will often transfer their feelings to others that seem similar—whether the similarity is in a brand name or in the shape and colour of the packaging."*

Marketers use two concepts from behavioural learning theory. *Stimulus generalization* occurs when a response brought about by one stimulus (cue) is generalized to another stimulus. Using the same brand name to launch new products is one common application of this concept, as when the makers of Tylenol followed up their original pain reliever with Tylenol Cold, Tylenol Flu, Tylenol Sinus, and others. Customers familiar with one product will often transfer their feelings to others that seem similar—whether the similarity is in a brand name or in the shape and colour of the packaging. Are you familiar with President's Choice Cola or Costco's Simply Soda? They use red cans, similar in colour to Coca-Cola cans—this is stimulus generalization in action!

Stimulus discrimination refers to the ability to perceive differences among similar products. Customers may do this easily with some groups of products, such as automobiles. But in many cases, such as low-involvement purchases, advertisers work to point out the differences. For example, customers' tendency to perceive all light beers as being alike led to Budweiser Light commercials that distinguished between many types of lights and Bud Light.



In the competitive soft drink market, companies may choose to package their colas in red cans similar to other brands.

Evgeny Karandaev/Shutterstock

Cognitive Learning

Customers also learn without direct experience—through thinking, reasoning, and mental problem solving. This type of learning, called *cognitive learning*, involves making connections between two or more ideas or simply observing the outcomes of others' behaviours and adjusting your own accordingly. Firms also influence this type of learning. Through repetition in advertising, messages such as "Advil is a headache remedy" attempt to link a brand (Advil) and an idea (headache remedy) by showing someone using the brand and finding relief.

Brand Loyalty

Learning is also important to marketers because it relates to habit formation. Developing habits means that a consumer is solving problems (such as what to do when they are hungry) routinely and consistently, without much thought. Not surprisingly, there is a close link between habits and **brand loyalty**, which is a favourable attitude toward and consistent purchase of a single brand over time. Brand loyalty results from positive reinforcement. If customers are satisfied with a product, they reduces their risk and save time by consistently purchasing that same brand.

Values, Beliefs, and Attitudes

Values, beliefs, and attitudes play a central role in customer decision-making.

Attitude Formation

An **attitude** is a "learned predisposition to respond to an object or class of objects in a consistently favourable or unfavourable way."[23] Attitudes are shaped by our values and beliefs, which we develop in the process of growing up. For example, we speak of core values, including material well-being and humanitarianism. We also have personal values, such as thriftiness and ambition. Marketers are concerned with both, but focus mostly on personal values. Personal values affect attitudes by influencing the importance assigned to specific product attributes, or features. Suppose thriftiness is one of your personal values. When you evaluate cars, fuel economy (a product attribute) becomes important. If you believe a specific car has this attribute, you are likely to have a favourable attitude toward it.

Beliefs also play a part in attitude formation. In customer terms, **beliefs** are perceptions about how different attributes of a product or brand perform. Beliefs are based on personal experience, advertising, and discussions with other people. Beliefs about product attributes are important because, along with personal values, they create the favourable or unfavourable attitude the customer has toward certain products and services.

Attitude Change

Marketers use three approaches to try to change customer attitudes toward products and brands, as shown in the following examples:[24]

1. *Changing beliefs about the extent to which a brand has certain attributes.* To reduce customer concern that Aspirin use causes an upset stomach, Bayer Corporation successfully

promoted the gentleness of its Extra Strength Bayer Plus Aspirin.

2. *Changing the perceived importance of attributes.* People have long been divided on the number of hours of sleep required for good health. Recent articles in the media are changing the perceived importance of required hours. The Mayo Clinic, for example, recommends seven to nine hours of sleep for adults.[25] Sleep Country Canada's commercials emphasize the importance of getting a good night's rest and how Sleep Country can help the situation by providing a mattress that can improve the quality of sleep.
3. *Adding new attributes to the product.* Colgate-Palmolive included a new antibacterial ingredient, triclosan, to its Colgate Total Toothpaste and spent $100 million marketing the brand. The result? Colgate Total Toothpaste is now a billion-dollar-plus global brand.

Lifestyle

Lifestyle is a way of living that reflects how people spend their time and resources (activities), what they consider important in their environment (interests), and how they think of themselves and the world around them (opinions). The analysis of customer lifestyles, called *psychographics*, has produced many insights into **customer behaviour**.

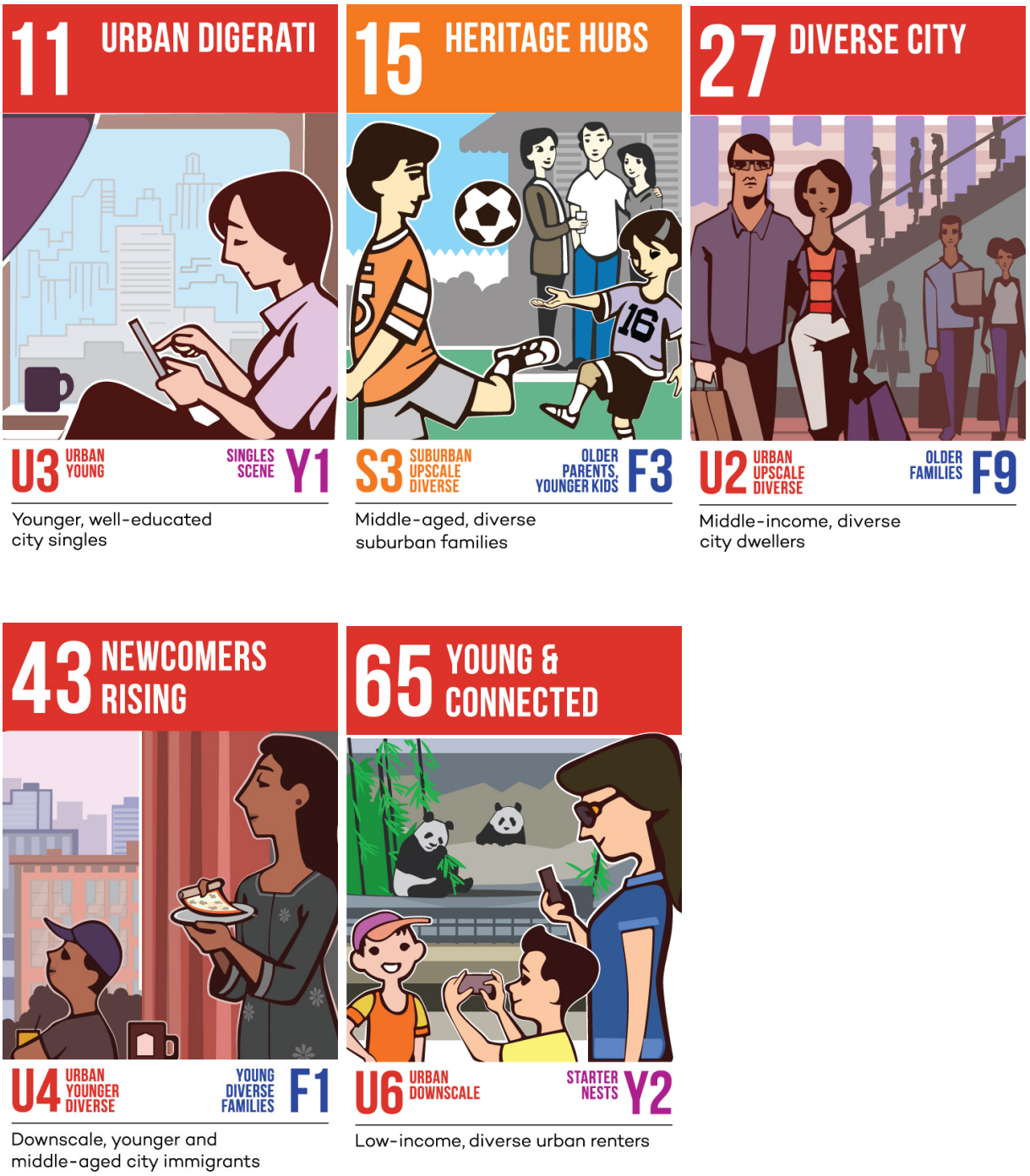
For example, lifestyle analysis has proven useful in segmenting and targeting customers for new and existing products and services. One example of a psychographic systems is the VALS^{TM} system from Strategic Business Insights.[26] VALS, which stands for "values, attitudes and lifestyles," identifies eight interconnected categories of adult lifestyles based on a person's self-orientation and resources. *Self-orientation* describes the patterns of attitudes and activities that help a person reinforce their social self-image. Three patterns have been uncovered, which are oriented toward principles, status, and action. A person's resources range from minimal to abundant, and include income, education, self-confidence, health, eagerness to buy, intelligence, and energy level. Each of these categories exhibits different buying behaviour and media preferences.

VALS is an American-based system, and the psychographics of Americans differ significantly from those of Canadians. When some market researchers have tried to use American values, attitudes, and lifestyles to describe Canadians, they have noticed differences.

For Canadian insights, marketers can turn to one of the leading firms in marketing and analytical services: Environics Analytics. Through its PRIZM5 segmentation system, Environics Analytics has segmented the Canadian population into a variety of data points, including demographics, lifestyles, and values. **Figure 3–5** provides an example of segments

in the Canadian population that are likely to attend professional basketball games. Although these segments have unique characteristics, there are similar traits among them that create a larger target market for products and services related to basketball.

Figure 3–5 PRIZM5 segments that attend professional basketball games



Source: ©2017 Environics Analytics; PRIZM is a registered trademark of Claritas, LLC and used with permission.

As part of the PRIZM5 system, Environics Analytics provides exceptional insight into 68 segments of the Canadian population. For example, it describes a specific segment of the population as Grads & Pads—number 38 on the 68-rung socio-economic ladder. These individuals are described as young, well-educated individuals living near post-secondary education institutions who like to stay active skiing and working out at health clubs. While this generalized description may not describe every individual in the segment, it provides an overview of the expected customer behaviour of the individuals living in postal codes associated with that segment.[27]

Environics Analytics is one of the leaders in customer segmentation. The sample segments described earlier fall into much broader socio-economic categories, and life-stage groups continue to change with every new Canadian census. Figure 3–6 provides examples of the broader socio-economic categories of the PRIZM5 segmentation system. By using the key drivers of demographics, lifestyles, and values, Environics Analytics creates added-value tools for marketers to understand customer behaviour and markets anywhere in Canada.

Figure 3–6 Examples of PRIZM5 cluster categories

Segment Code	Cluster Category	Brief Description
U1	Urban Elite	The most affluent Canadian households belong to Urban Elite, the social group that ranks at the top of several demographic measures: income, home value, and educational achievement. With their university degrees and positions as executives and professionals, these middle-aged and older residents tend to live in fashionable homes in big-city neighbourhoods and close-in suburbs.
S1	Suburban Elite	The households in Suburban Elite represent the most upscale suburban social group, characterized by middle-aged and older families living in single-family homes. One socio-economic rung down from Urban Elite, these Canadians have university and college educations, and hold service-sector and white-collar jobs.

Segment Code	Cluster Category	Brief Description
E1	Exurban Elite	Exurban Elite consists of the wealthiest households outside the nation's metropolitan sprawl, beyond the suburbs but within reasonable commutes to city jobs. The residents in this exurban group tend to be married, middle-aged and older couples and families who live in comfortable homes and hold a mix of white-collar, blue-collar, and service-sector jobs. With their large families of school- and college-aged children, households here have high rates of enjoying team and winter sports, golfing, boating, community theatre, and all types of exhibitions: craft, cottage, fitness, gardening, pet, and home.
U2	Urban Upscale Diverse	Generally found in Toronto, Vancouver, and Montreal, the Urban Upscale Diverse group consists of four mostly middle-income segments with high concentrations of immigrants, especially from Asia, Europe, Central America, and the Middle East. Their households are a mix of middle-aged and older couples and families, with children in their late teens and twenties. Many residents inhabit a bi-cultural world, with nearly a third speaking a language at home other than English or French.
S2	Suburban Younger	The four Suburban Younger segments contain family-filled households where most maintainers are under 45 years old. Because the adults in this group have varying educational backgrounds—from high school to university degrees—and many have only recently entered the labour force, household income levels range from upscale to lower-middle, earned from a broad mix of jobs. But most families can afford to own their homes,

Segment Code	Cluster Category	Brief Description
		typically recently built singles, semis, and row houses.
E2	Exurban Middle-Aged	The Exurban Middle-Aged group represents the nation's middle-aged, mostly midscale couples and families living in Canada's growing exurban communities. In these mixed households—the families include children of all ages—parents holding college diplomas or less work at a range of blue-collar, white-collar, and service-sector jobs; their average incomes allow them to own single-family homes built after 1980. With their neighbourhoods located outside the nation's big cities, the cost of living is lower than average, and residents pursue active, outdoorsy lifestyles.
U3	Urban Young	Home to the nation's youngest residents, Urban Young consists of households with maintainers who are typically under 45 years old. With many just entering the workforce, these university-educated singles and couples earn a range of incomes—from upper-middle to lower-middle income—from their white-collar and service-sector jobs. Without the financial obligations of a family, they're able to rent decent apartments in older, downtown neighbourhoods and lead a hip, progressive lifestyle.

Source: ©2017 Environics Analytics; PRIZM is a registered trademark of Claritas, LLC and used with permission.

Critical Thinking for Marketing

1. *What three attitude-change approaches have you experienced as a customer ?*
2. *What does the concept of lifestyle mean?*

Socio-cultural Influences on Customer Behaviour

LO 5 Socio-cultural influences, which evolve from a customer's formal and informal relationships with other people, also have an impact on customer behaviour. These include personal influence, reference groups, family, culture, and subculture.

Personal Influence

A customer's purchases are often influenced by the views, opinions, or behaviours of others. Two aspects of personal influence are important to marketing: opinion leadership and word-of-mouth activity.

Opinion Leadership

Individuals who have social influence over others are called **opinion leaders**. Opinion leaders are more likely to be important for products that provide a form of self-expression. Automobiles, clothing, and club memberships are products affected by opinion leaders, but appliances usually are not.[28]



Companies like Max Factor use celebrities as spokespeople to represent its products and influence customer decision-making.

Courtesy of Max Factor/MEGA/ Newscom/GWGLA/Newscom

A small percentage of adults—from influential community leaders and business executives to movie stars—are opinion leaders. Identifying, reaching, and influencing opinion leaders is a major challenge for companies. Some firms use sports figures or celebrities as spokespersons to represent their products, such as Priyanka Chopra for Max Factor.

Word of Mouth

People influencing each other during conversations is called **word of mouth**. Word of mouth is perhaps the most powerful information source for customers, because it typically involves friends or family who are viewed as trustworthy.

The power of personal influence has prompted firms to make efforts to increase positive and decrease negative word of mouth.[29] For instance, "teaser" advertising campaigns are run in advance of new-product introductions to stimulate conversations. Other techniques such as advertising slogans, music, and humour also heighten positive word of mouth. On the other hand, rumours about McDonald's (worms in hamburgers) and Corona Extra beer (contaminated beer) have resulted in negative word of mouth, none of which was based on fact.

Overcoming negative word of mouth is difficult and costly. Firms have found that supplying factual information, providing toll-free numbers for customers to call the company, and giving appropriate product demonstrations have been helpful.

The term *buzz marketing* refers to a brand becoming popular as a result of people talking about it to friends and neighbours. Another way that a company can create buzz is by hiring an outside agency. Word-of-mouth agencies such as Matchstick specialize in product-seeding programs. Product seeding consists of hiring people to talk up a brand to others. The Word of Mouth Marketing Association (WOMMA) has issued ethical guidelines on product seeding, including the guideline that brand representatives must always disclose their relationship to the brand when promoting it to others.

> *"Product seeding consists of hiring people to talk up a brand to others."*

The power of word of mouth has been magnified through online marketing. The online version of word of mouth is called *viral marketing*. This includes the use of messages that customers pass along to others through online forums, social networks such as Facebook and X, chat rooms, bulletin boards, blogs, and emails. These messages can be positive or negative. Companies are now recognizing the value of social media platforms such as X and Facebook, and are monitoring messages so that they can respond to customers quickly.

Based in Regina, Saskatchewan, tentree International is a company that builds social awareness by showing social responsibility. It commits to ten trees planted for every product purchased, whether that be directly from its online store, or from one of its over 300 retail partners. By planting millions of trees, tentree is providing employment, protecting wildlife, restoring ecosystems, and educating locals, as well as providing wood for fuel, cooking, and building in impoverished areas. tentree also has partnerships across the world to help identify areas that can benefit from planting trees. The Making Responsible Decisions box, **What Defines Wealth?** considers the impact of social issues for some customer purchasing habits.[30]

Making Responsible Decisions

What Defines Wealth?

In 1899, the sociologist Thorstein Veblen used the term *conspicuous consumption* to describe the acquisition of luxury goods and services. It was a way to publicly display wealth and economic power to others. Showing off social status was done through the purchase of designer clothes, expensive jewellery, and luxury cars. If your neighbour purchases a new luxury car, you may feel slighted and in turn purchase a newer car with even more features.



Showing off wealth can be done in different ways.

Khosro/Shutterstock

The problem with conspicuous consumption is that the more things there are to buy, and the greater the material means people have for acquiring them, the less socially useful it becomes. That is, if everyone can acquire luxury items, what makes them so special? And, what does it say about the person who is making the purchase just to try to impress others? It is potentially wasteful.

As new customer behaviours emerge post-pandemic, Canadians are adapting to fulfilment delays and seeking more socially responsible retailers. Instead of spending money to impress others, money can be used to support local economies and create a more positive impact on local business. In fact, many Canadians are willing to pay more for local or domestic products if it supports the local economy. That is a different and more productive way of showing off your wealth.

Questions

1. Describe a time where you witnessed or experienced conspicuous consumption?
2. When you make a purchase, how much do you consider social issues in your purchase decision?

Reference Groups

A **reference group** is a group of people who influence a person's attitudes, values, and behaviours. For example, you might consider your family or the other students in your school as a reference group. Other examples of reference groups are movie stars and sports celebrities. Reference groups affect customer purchases because they influence the information, attitudes, and aspiration levels that help set a customer's standards. Reference groups have an important influence on the purchase of luxury products but not of necessities—reference groups exert a strong influence on the brand chosen when its use or consumption is highly visible to others.[31]

Customers have many reference groups, but three groups have clear marketing implications:

- **Membership group:** A group to which a person actually belongs, including fraternities and sororities, social clubs, and family. Such groups are easily identifiable and are targeted by firms selling insurance, insignia products, and vacation packages.
- **Aspiration group:** One that a person wishes to be a member of or wishes to be identified with. An example is a person whose dream is to play in the NHL. Brands such as Gatorade and Nike frequently rely on spokespeople or settings associated with their target market's aspiration group in their advertising.
- **Dissociative group:** One that a person wishes to maintain a distance from because of differences in values or behaviours.





The late Steve Jobs co-founded Apple, built it into the world's leading tech company, and led a mobile computing revolution with wildly popular devices such as the iPod, iPhone, and iPad that connected different generations of a family.

(left) ©Aflo Foto Agency/Alamy Stock Photo; (right) ©Paul Sakuma, File/AP Photo/The Canadian Press

Family Influence

Family influences on customer behaviour result from three sources: customer socialization, passage through the family life cycle, and decision-making within the family or household.

Consumer Socialization

The process by which people acquire the skills, knowledge, and attitudes necessary to function as customer is *consumer socialization*.[32] Children learn how to purchase by interacting with adults in purchase situations and through their own purchasing and product usage experiences. Research demonstrates that children show signs of brand preferences as early as age two, and these preferences often last a lifetime. This knowledge prompted Time Inc. to launch *Sports Illustrated for Kids*. The brand of toothpaste, laundry detergent, or soft drink used in your home will very likely influence your brand choice when you purchase these items for yourself.

Family Life Cycle

Customers act and purchase differently as they go through life. The **family life cycle** concept describes the distinct phases that a family progresses through from formation to retirement, each phase bringing with it identifiable purchasing behaviours.[33] Today, the "traditional" family—married couples with children—constitute just over 26 percent of all Canadian households. Nearly 30 percent are households without children.[34]

Young single customers' buying preferences are for nondurable items, including prepared foods, clothing, personal care products, and entertainment. They represent a significant target market for recreational travel, automobile, and consumer electronics firms.

Young married couples without children are typically more affluent than young singles because usually both spouses are employed. These couples exhibit preferences for furniture, housewares, and gift items for each other. Young marrieds with

children are driven by the needs of their children. These families make up a sizable market for life insurance, various children's products, and home furnishings.

Single parents with children are the least financially secure type of households. Their buying preferences are usually affected by a limited economic status and tend toward convenience foods, child care services, and personal care items.

Middle-aged married couples with children are typically better off financially than their younger counterparts. They are a significant market for leisure products and home improvement items. Middle-aged couples without children typically have a large amount of discretionary income. These couples buy better home furnishings, status automobiles, and financial services. Persons in the last two phases—older married and older unmarried—make up a sizable market for prescription drugs, medical services, vacation trips, and gifts for younger relatives.

Family Decision-Making

A third family-based influence on customer decision-making occurs in the context of the relationship dynamics of the household. Two decision-making styles exist: spouse dominant and joint decision-making. With a joint decision-making style, most decisions are made by both parents. Spouse-dominant decisions are those for which one spouse has more influence on the purchase decision. Joint decision-making is common for cars, vacations, houses, home appliances and electronics, medical care, and long-distance telephone services. As a rule, joint decision-making increases with the education of the spouses.[35]

"Even though women are often the grocery decision makers, they are not necessarily the purchaser. Husbands do about one-half of food shopping."

Roles of individual family members in the purchase process are another element of family decision-making. Five roles exist: information gatherer, influencer, decision maker, purchaser, and user. Family members assume different roles for different products and services.[36]



Families may influence the decisions made by their family members.

gilaxia/Getty Images

Furthermore, since 70 to 80 percent of customer purchasing is done by the buying power of influence of women, men's clothing stores may choose to advertise in women's magazines such as *Chatelaine* and *Redbook*. Even though women are often the grocery decision makers, they are not necessarily the purchaser. Husbands do about one-half of food shopping.

Increasingly, preteens and teenagers are the information gatherers, influencers, decision makers, and purchasers of products and services items for the family, given the prevalence of working parents and single-parent households. Children and teenagers directly influence billions of dollars in annual family purchases. These figures help explain why, for example,

Johnson & Johnson, Apple, Kellogg, P&G, Sony, and Oscar Mayer, among countless other companies, spend billions annually in media that reach preteens and teens.[37]

Culture and Subculture

LO 6 **Culture** refers to the set of values, ideas, and attitudes that are learned and shared among the members of a group. Thus, we often refer to Canadian culture, American culture, or Japanese culture. Describing Canadian culture may be difficult due to the diversity in the nation, but many could agree that Canadians are individuals who are polite and fair. Canadians value politeness and feel uncomfortable in situations of conflict. It is a balance of pride and humility. This generalization does not extend to all Canadians, and inaccurate perceptions of Canada were addressed by Molson through its "rant ad" beer commercials in 2000.[38]

Subgroups within the larger, or national, culture with unique values, ideas, and attitudes are referred to as **subcultures**. Subcultures can be defined by regions, by demographic groups, or by values. The most prominent types of subcultures are racial and ethnic, and many of these exist within the Canadian mosaic of people. French, German, Italian, Chinese, and Ukrainian subcultures are the ones we see most in Canada, and they make up nearly 40 percent of the Canadian population. Each one exhibits unique buying patterns and socio-cultural behaviours.

Canada's outlook on ethnicity is that cultural and ethnic groups are welcome to continue with their traditions, languages, and values. Canada is a nation of many faces, and people have been immigrating here continually over many decades. People may regard themselves as Italian, yet never have been to Italy—their grandparents may have immigrated here many years ago. If Italian customs have been maintained by the family, the person may behave much like a recently arrived Italian. Some countries encourage immigrants to join the mainstream national culture, but diversity is encouraged in Canada.

Our ethnic composition, and the philosophy that we take toward it, has led to the creation of many ethnic neighbourhoods in our cities. As our population becomes more diverse, people immigrating here bring tastes from their native lands, and the country has been particularly welcoming to cuisines from around the world. Immigration has had a major influence on Canada's food market, both in the many restaurants and in food items available from all corners of the globe. And it is not only food consumption that has been affected by immigration. Many cultural events have become mainstream, and many local celebrations are the result of traditions brought here by new Canadians.

Examples of Canadian Subcultures

There are almost 10 million French-speaking Canadians in this country, about 30 percent of the population.[39] By far, the largest majority of them live in the province of Quebec. Research shows that French-speaking Quebecers do exhibit different consumption behaviour than the rest of Canada.[40] For example, when asked what is important to them, Quebecers are more likely than other Canadians to say "enjoying life" and "seeking happiness." French Canadians, more so than English Canadians, are more likely to believe that everybody should be free to do their own thing.

Quebecers are also more willing to pay higher prices for convenience and premium brands. Some people feel that French Quebec can be characterized by a set of values that are traditional, consistent, and relatively static, but changes are evident. While values are still strong regarding family life and having children in a marriage, the use of birth control is rising, and the marriage rate is below the national average.

Canada's Diverse Customers

Identifiable Ethnic Group	
Canadian	32%

English	18%
Scottish	14%
French	14%
Irish	13%
German	10%
Chinese	5%
Italian	5%
North American Indian	4%
East Indian	4%
Other	52%

Note: Respondents identified with more than one ethnic group, so percentages add up to more than 100 percent.

Source: "Canada," Central Intelligence Agency, The World Factbook website, www.cia.gov/the-world-factbook/countries/canada/#people-and-society (accessed October 2022).

French Quebecers are members of a Canadian subculture who are cautious about new products and often postpone trying something new until they see that the product has proven itself. They exhibit brand loyalty, but they will switch brands if offered a special. French Quebecers are less likely to buy grocery items on impulse, and are increasingly calculating in their food purchases. Some grocery chains have responded to this characteristic by offering more discount coupons, weekly specials, and money-saving tips.

Quebecers like things that please the senses. For example, they like fine restaurants and fine wines. Quebecois women are also very fashion conscious, and upscale brands such as Prada and Lancôme sell well in Quebec. This desire for beauty helps explain why campaigns for anti-wrinkle products are even more successful in Quebec than in the rest of Canada.[41]

While the province of Quebec has the highest percentage of alcohol drinkers and the most relaxed drinking laws in Canada, it also has the lowest percentage of excessive drinkers and the fewest alcohol-related problems. French Quebecers are big buyers of lottery tickets and more likely to subscribe to book clubs, but they make fewer long-distance phone calls. They travel less, whether for business or pleasure. More French Quebec adults hold life insurance policies, but they are less likely to have a credit card. They also tend to use the services of credit unions (*caisses populaires*) rather than banks.

Marketers must realize that certain products and other elements of the marketing mix may have to be modified in order to be successful in French Quebec. In addition to cultural differences, there are other issues that marketers must address. Commercial advertising to children is prohibited, and greater restrictions exist for alcohol advertising. Provincial regulations also require that labels and packages must be both English and French, while storefront signage must be in French, not English. Good investigation and analysis of this market is a requirement for all companies wishing to do business in this province.



Chinese New Year celebrations take place in Vancouver each year and have become an integral part of the city's cultural fabric.

©Richard Lam/The Canadian Press

Another Canadian subculture and one of the largest and fastest-growing visible minorities in Canada's population is Chinese, with 40 percent residing in Toronto and 31 percent in Vancouver. The average Chinese household spends $63,500 each year, slightly higher than the Canadian average of $58,500. In general, these customers are relatively young, educated, and affluent. They tend to spend their money on home furnishings, automobiles, kids' education, high-tech gadgets, travelling, and gifts. They like to do business within their own communities and prefer media in their own languages. They have strong allegiance to brands and are very family oriented. Because they live in close-knit communities, word of mouth is very important to them.[42]

Chinese-Canadians have a preference for luxury vehicles, and many car dealerships see them as good potential customers for new cars. In general, they tend to eat out at restaurants more than the average Canadian, and there has been significant growth in the number of Chinese restaurants in Canada, and particularly in Vancouver and Toronto, over the past ten years. For these, and a number of other factors, many marketers cater to the Chinese market because they see them as good prospective customers.

Global Cultural Diversity

Canada has become increasingly multiethnic and multicultural, making it one of the most diverse countries in the world. Different countries take different approaches to admitting immigrants and integrating them into society. Canada's approach is often referred to as a mosaic, meaning that people who come to this country from another are welcome to maintain their cultural identities and customs—the belief is that this will create a situation where all Canadians can learn from the rich variety of over 200 cultures that make up the citizenry of the country. This environment works to increase Canadian companies' sensitivity and orientation toward other cultures, so the transition to global activities and relationships is facilitated.

Just as marketers must be sensitive to subcultures in Canada, they must appreciate the cultural differences of people in other countries if they want to market products and services to them. A necessary step in this process is **cross-cultural analysis**, which involves the study of similarities and differences among customers in two or more nations or societies.[43] A thorough

cross-cultural analysis involves an understanding of and an appreciation for the values, customs, symbols, and language of other societies.

Values

A society's values represent socially preferable modes of conduct or states of existence that tend to persist over time. Understanding and working with these aspects of a society are important factors in global marketing. For example, consider the following:[44]

- McDonald's does not sell hamburgers in its restaurants in India because the cow is considered sacred by almost 85 percent of the population. Instead, McDonald's sells the McMaharajah: two all-mutton patties, special sauce, lettuce, cheese, pickles, onions on a sesame-seed bun.
- Germans have not been overly receptive to the use of credit cards such as Visa or MasterCard, nor to the idea of borrowing to purchase goods and services. The German word for *debt*, *Schuld*, is the same as the German word for *guilt*.

Customs

Customs are what is considered normal and expected about the way people do things in a specific country or culture. Clearly, customs can vary significantly from country to country. Some customs may seem unusual to Canadians. Consider, for example, that in France, men wear more than twice the number of cosmetics that women do, and that the Japanese consider slurping their food to be a sign of approval and appreciation to the chef.

The custom of giving token business gifts is popular in many countries where they are expected and accepted. However, bribes, kickbacks, and payoffs offered to entice someone to commit an illegal or improper act on behalf of the giver for economic gain is considered corrupt in most cultures. The widespread use of bribery in global marketing has led to an agreement among the world's major exporting nations to make bribery of foreign government officials a criminal offence.



Coca-Cola executives learned valuable lessons when they used the Eiffel Tower and the Parthenon in global advertising campaigns.

(left) Sylvain Sonnet/Getty Images; (right) Antonio M. Rosario/Getty Images

The Organisation for Economic Co-operation and Development (OECD) is an international body whose goal is to foster democratic government and a market-driven economy. With its global reach, OECD addresses issues of general interest to its members and affiliates. Corruption has become an issue of major importance in the past decade, and the OECD has taken action to set guidelines and procedures for preventing international bribery and corruption. Canada has adopted the OECD's anti-corruption convention and has made bribery of foreign public officials a criminal offence.[45]

Bribery paid to foreign companies is another matter. In France and Greece, bribes paid to foreign companies are a tax-deductible expense!

Cultural Symbols

Cultural symbols are objects, ideas, or processes that represent a particular group of people or society. Symbols and symbolism play an important role in cross-cultural analysis because different cultures attach different meanings to things. By cleverly using cultural symbols, global marketers can tie positive symbolism to their products and services to enhance their attractiveness to customers. However, improper use of symbols can spell disaster. A culturally sensitive global marketer will know the following:[46]

- North Americans are superstitious about the number 13, and Japanese feel the same way about the number 4. *Shi*, the Japanese word for "four," is also the word for "death." Knowing this, Tiffany & Company sells its fine glassware and china in sets of five, not four, in Japan.
- "Thumbs-up" is a positive sign in Canada. However, in Russia and Poland, this gesture has an offensive meaning when the palm of the hand is shown, as AT&T learned. The company reversed the gesture depicted in ads, showing the back of the hand, not the palm.

Cultural symbols stir up deep feelings. Consider how executives at Coca-Cola's Italian office learned this lesson. In a series of advertisements directed at Italian vacationers, the Eiffel Tower, Empire State Building, and the Tower of Pisa were turned into the familiar Coca-Cola bottle. However, when the white marble columns in the Parthenon that crown Athens's Acropolis were turned into Coca-Cola bottles, the Greeks were outraged. Greeks refer to the Acropolis as the "holy rock," and a government official said the Parthenon is an "international symbol of excellence" and that "whoever insults the Parthenon insults international culture." Coca-Cola apologized for the ad.[47]

Language

Global marketers should know not only the basics of the native tongues of countries in which they market their products and services but also the subtleties and unique expressions of the language. For example, Pepsi found that Spanish-speaking people in Argentina tend to pronounce the soft drink as Pecsi rather than Pepsi. Pepsi responded by launching a successful marketing campaign that temporarily used the spelling Pecsi rather than Pepsi on billboards in Argentina. The brand name Pepsi was never really legally changed, but humorously altered for the period of the campaign.[48]

About one hundred official languages exist in the world, but anthropologists estimate that at least 3,000 different languages are actually spoken. There are 11 official languages spoken in the European Union, and Canada has two official languages (English and French). Seventeen major languages are spoken in India alone.

English, French, and Spanish are the principal languages used in global diplomacy and commerce. However, the best language with which to communicate with customers is their own, as any seasoned global marketer will agree. Language usage and translation can present challenges. Unintended meanings of brand names and messages have ranged from the absurd to the obscene, as in the following examples:

- When the advertising agency responsible for launching Procter & Gamble's successful Pert shampoo in Canada realized that the name means *lost* in French, it substituted the brand name Pret, which means *ready*.

- The Vicks brand name common in North America is German slang for sexual intimacy; therefore, Vicks is called Wicks in Germany.



The Nestlé Kit Kat bar influences teens in Japan through its translated meaning.

CB2/ZOB/WENN/Newscom

Experienced global marketers use **back translation**, where a translated word or phrase is retranslated back into the original language by a different interpreter to catch errors.[49] IBM's first Japanese translation of its "Solution for a small planet" advertising message yielded "Answers that make people smaller." The error was caught by back translation and corrected. Sometimes, unintended translations can produce favourable results. Consider Kit Kat bars marketed by Nestlé worldwide. Kit Kat is pronounced "kitto katsu" in Japanese, which roughly translates to "I will win." Japanese teens eat Kit Kat bars for good luck, particularly when taking crucial school exams.[50]

Successful marketers understand the differences and similarities in customers. They draw together commonalities and segment their audience into groups that will find their products and services appealing. By keeping current with the changing trends in customer values and attitudes, marketers can stay in sync with their audiences.

Interpreting what future generations need and want is a challenge. However, making bold moves to change the way traditional business is done is something McDonald's is a pioneer for across the world.

For Canadians, McDonald's Canada has introduced a solution that will appeal to millennials who embrace utility. Self-service kiosks and table delivery is now available for individuals who choose not to stand and wait for their food. Furthermore, additions to the menu will allow for custom-made burgers. The 1,400 stores in Canada implementing this innovation will require approximately $200,000 each to refit. By marketing to millennials who embrace digital technology, this can attract a new generation of brand-loyal customers who value a consistent experience as well as a consistent product. With the future Generation Z being influenced by friends and family, McDonald's and other companies need to establish an online presence and excellent customer experience. [51]

Critical Thinking for Marketing

1. *What are the two primary forms of personal influence and how do they affect customers?*
2. *What challenges do marketers face when marketing to ethnic subcultural groups?*

Summary...just the facts

LO 1 • The first stage of the purchase decision process is problem recognition where the customer perceives a need.

- The second stage is the information search where the customer seeks value in the potential purchase options.
- The third stage is the evaluation of alternatives where the customer assesses the value of each option.
- In the fourth stage, the customer executes the purchase decision.
- In the fifth stage, the customer determines the value of the purchase in post-purchase behaviour.

LO 2 • Customer purchase decisions range in complexity. This creates three variations of the customer purchase decisions.

- Routine problem solving, such as purchasing tissues when you have a cold, requires little effort.
- Limited problem solving may occur when customers compare and decide upon different brands, such as for refreshments.
- Extended problem solving routinely involves time and consideration in each of the five distinct stages of the customer purchase decision process. Purchasing electronics usually requires extended problem solving.

LO 3 • There are five situational influences that impact the customer purchase decision process.

- The reason for engaging in the decision in the first place is called the purchase task. Why you are making the purchase may determine how much you plan on spending.
- Social surroundings, including who else is present in the process, also have an impact on the decision process. Another situational influence is the physical surroundings during the process. A store that is busy may have a positive or negative effect on the consumer.
- When the purchase is being made is a temporal effect, and the momentary mood or antecedent state of the customer also affects the process.

LO 4 • The main psychological influences affecting customer behaviour are motivation and personality; perception; learning; values, beliefs and attitudes; and lifestyle.

- Motivation is the energizing force that causes customers to satisfy a need, while personality and character traits influence behavioural responses.
- Perception is important to marketers because of the selectivity of what a customer sees or hears, comprehends, and retains.
- Customers learn from repeated experience, and brand loyalty is a result of learning.
- The values and beliefs of customers create their learned predisposition or attitudes toward a product.
- The customer's lifestyle identifies how they plan to spend their time and resources.

LO 5 • The customer purchase-decision process can be affected by personal influence, reference groups, and family influences.

- Personal influence can be seen in opinion leadership and word-of-mouth activity. These are normally created by individuals with social influence. Personal influence can also take the form of reference groups.
- Family influences on customer behaviour include where the family is in its family life cycle and how decisions are made within the household.

LO 6 • Culture is the set of values, ideas, and attitudes that are learned and shared among the members of a group.

- There are subgroups within larger cultures that have unique values, ideas, and attitudes. These subgroups are called subcultures.
- Both culture and subculture influence customer behaviour as these values permeate through situational, psychological, and socio-cultural influences.

Key Terms and Concepts...a refresher

attitude

back translation

beliefs

brand loyalty

customer behaviour

customer journey map

customer touchpoints

cross-cultural analysis

cultural symbols

culture

customs

family life cycle

involvement

learning

motivation

opinion leaders

perceived risk

perception

personality

purchase decision process

reference group

subcultures

word of mouth

Hands-on... APPLY YOUR KNOWLEDGE

Customer Purchase Decision Assignment The Show and Tell Agency helps Canadian companies improve the online experience for their customers. Review the customer decision-making process and outline where strong online experiences can help facilitate decisions.

Chapter Vignette… ACTIVITY

The chapter vignette discusses the importance of understanding customer behaviour and engaging outside expertise to help companies understand their buyer journeys. In your class, working individually or within a group, choose a company you know and consider the customer purchase decision process. After listing the steps, identify which situational, psychological, and socio-cultural influences might affect the customer decision process.

Marketing YOU

Values, beliefs and attitudes play a key role in informing customer decision-making and their behaviour. Attitudes are shaped by our values and beliefs. Understanding a company's values is an important consideration when evaluating employers to work for. In fact, a Deloitte research report states that those in Gen Z look beyond a company's product and seek to understand an organization's ethics, practices, and social impact.[52]

Research suggests that Gen Z is determined to make a difference and make an impact. Understanding your own values and beliefs helps you to determine what is important to you, informs your career decisions, and aids in identifying the impact that you wish to make.

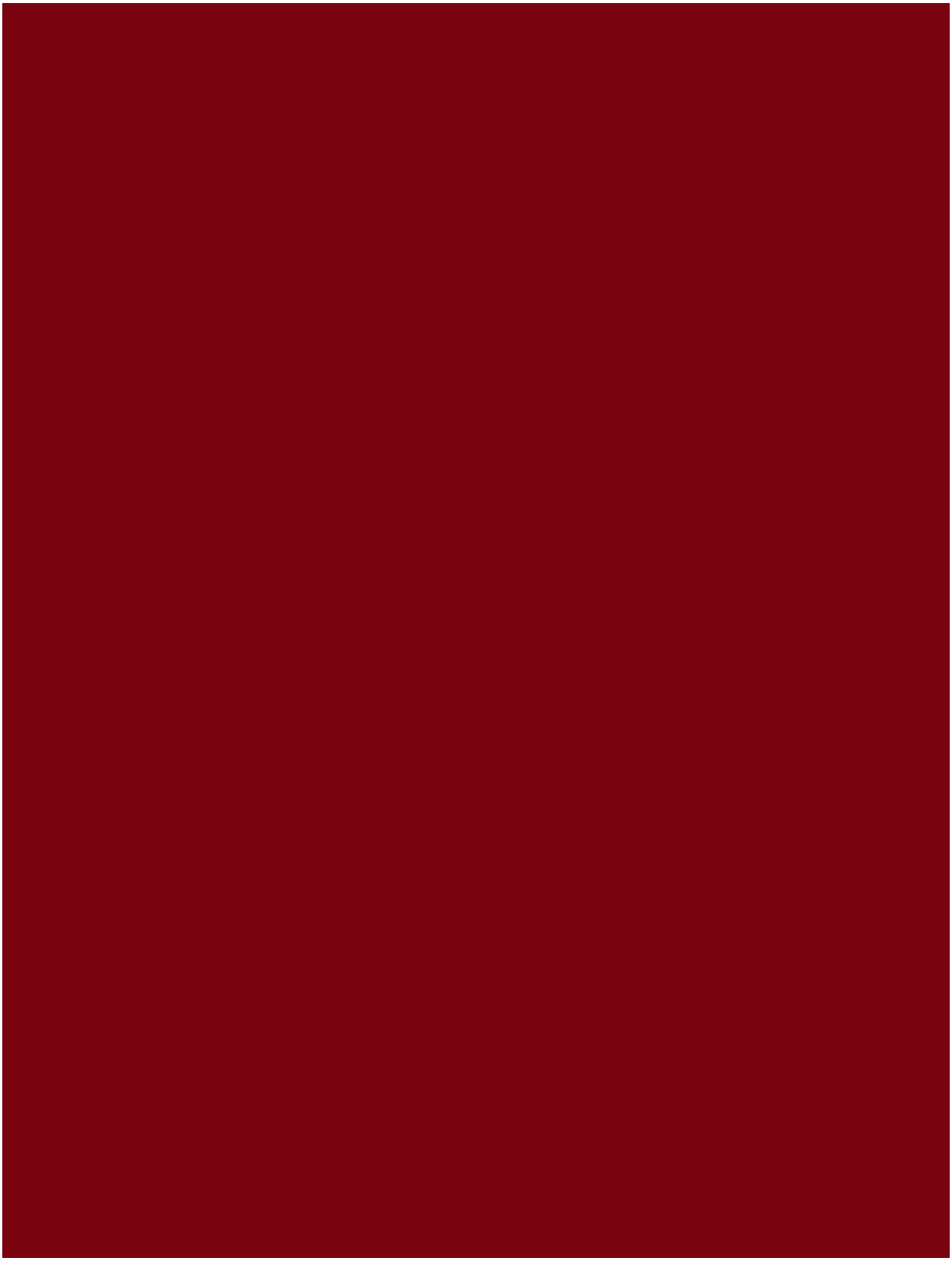
You can uncover what is meaningful to you by identifying your values. One way to identify what you really value is to review a list of value words and see which words resonate with you.

Activity:

1. From the list below, highlight the value words and phrases that you connect with, and convey what is important to you. Consider that these might be the qualities that you want to see more of in the world. Feel free to add to the list.

Values		
accountability	fun	playfulness
appreciation	fulfillment	professionalism
authenticity	generosity	resilience
autonomy	gratitude	resourcefulness
belonging	growth	respect
boldness	happiness	responsibility
cheerfulness	harmony	self-confidence
collaboration	helping	self-discipline
cooperation	honesty	self-expression
compassion	humility	sense of beauty
courage	humour	sense of belonging
creativity	inclusiveness	sense of community
curiosity	independence	service
determination	innovation	spirit of adventure
diversity	integrity	sportsmanship
empathy	kindness	teamwork
enthusiasm	learning	thoughtfulness
excellence	optimism	unity
fairness	originality	wisdom
flexibility	passion	
freedom	perseverance	

2. From your highlighted list select 10 words that describe what you wish to see more of in the world and add them to Circle 1 in your **ikigai diagram** from Chapter 1.



Chapter 4
Market Research



JHVEPhoto/Shutterstock

LEARNING OBJECTIVES

LO 1 Identify the reason for conducting marketing research
LO 2 Describe the five-step marketing research approach that leads to marketing actions
LO 3 Explain how marketing uses secondary and primary data
LO 4 Discuss the uses of observations, questionnaires, panels, experiments, and newer data collection methods
LO 5 Explain how data analytics, data mining, and predictive modelling lead to marketing actions
LO 6 Describe three approaches to developing a company's sales forecast

CHAPTER OUTLINE

- Canadian Tire Corporation
- Market research process
- Types of research, metrics, and analytics

CHAPTER FEATURES

Online Databases and Internet Resources Useful to Marketers

A variety of online sources provide secondary data.

No More Personal Secrets

The downside of data mining and predictive modelling

Market research, metrics, and analytics are tools used by marketers to gather data and obtain insights to make fact-based decisions easier and more accurate. Today, forward-thinking organizations use these tools and foster a culture of measurement, analytics, and continuous improvement by investing in technology, partnerships, and people. The goal is to manage data and to discern patterns, correlations, and insights that are actionable and provide a competitive edge. This chapter focuses on these tools, explaining their purpose and how they are used in this era of big data. The retail industry has experienced increased challenges as the world's population continues to grow, consumer demand constantly changes, and supply chain issues persist post-COVID. There has never been so much access to data as there is in today's society.

Canadian Tire Corporation introduced Canada's oldest loyalty program, starting with Canadian Tire money and moving to the Triangle Rewards digital loyalty program in 2018.[1]

Canadian Tire Corporation (CTC) began as Hamilton Tire and Garage Limited in Toronto in 1922, founded by two brothers, John W. and Alfred J. Billes. In 1923, they moved to a new location in Toronto and Canadian Tire Corporation was born. Triangle Rewards Digital Loyalty program was developed in 2018. Canadian Tire has now grown to almost 34,000 employees with 13 banners and businesses, and over 1,400 stores across Canada. They have over 480 dealers operating over 560 Canadian Tire and Party City stores and they source products from over 2,600 suppliers. There are over 190 franchisees operating Sports Experts, Atmosphere, Mark's, L'Équipeur, Hockey Experts and Sports Rousseau/L'Entrepôt du Hockey stores. There are over 11 million Triangle Reward members with over $16 billion in revenue generated.[2]

Triangle Rewards is one of the top retail loyalty programs in Canada with one of the best Canadian customer data sets. It is one of Canadian Tire Corporation's most significant assets, linking the entire family of companies into a single customer-facing marketplace and loyalty program. Today, Triangle Rewards allows customers to earn and redeem Canadian Tire money (CTM) across all banners, providing important customer data and reinforcing their One Company, One Customer strategy.

With Triangle, Canadian Tire Corporation is expanding the historic Canadian Tire money loyalty program, bringing together many of their retail banners. Canadian Tire "money" began circulating in 1958, making it Canada's oldest loyalty program. Since then, over one billion Canadian Tire money notes have been produced. Canadian Tire money is so deeply rooted in Canadian heritage that it is even included in the Canadian Oxford Dictionary.

Greg Shelly, VP of enterprise digital marketing at Canadian Tire, says that "a loyalty program sets the foundation of digital growth by helping companies collect data to better understand their customers. The customer ceases to be a mystery when you have data to understand them."

By strategically investing in their digital capabilities and data analytics, Canadian Tire Corporation has become one of the largest ecommerce players in Canada. The company engages with its customers often, effectively, and efficiently, keeping them at the heart of everything they do. According to the Investor's Day presentation in 2022, growth in sales is driven by the Triangle Reward members with the best Reward members spending six times more than the average nonmember. CTC has continued to refine the shopping experience, delivering customized offers and making it easier for customers to shop when and how they want.

Introduced in 2018, Triangle Rewards is the evolution of the iconic Canadian Tire money. It lets customers collect and redeem CTM at Canadian Tire, Mark's/L'Équipeur, SportChek, Atmosphere, and participating Sports Experts locations. Customers can further collect CTM on Avis Car and Budget car rentals, and on fuel purchases at Canadian Tire gas bars.

More than 11 million Canadians are active Triangle Rewards members. This gives valuable insight into the spending habits of a majority of Canadian households, helping to better understand customers. These business insights permit CTC to understand its customers' path to purchase to improve relevant product assortment and improve the customer experience. Their data tell them what their customers are shopping for and where, allowing them to deliver relevant, personalized offers that increase overall engagement across banners and brands, and enhance the customer experience.

This opportunity for cross-banner promotions encourages customers who shop across Canadian Tire banners to spend more and enables strong digital engagement and a multichannel experience. Customers can collect rewards faster by engaging with their brands, and redeem at multiple banners, which means they are increasingly turning to CT companies to meet their needs.

Canadian Tire has been investing heavily in data analytics and digital capabilities in parallel with the launch and growth of Triangle Rewards, which has enabled them to make more informed decisions and expanded their ability to connect with customers—over 7 million unique offers are sent each week.[3]

reality CHECK

As you read through Chapter 4, refer back to this opening vignette on Canadian Tire Corporation and answer the following questions:

- What metrics could Canadian Tire use to measure their success?
- What are the main benefits of marketing research?

The Role of Marketing Research

LO 1 Let's (1) look at what marketing research is, (2) identify some difficulties with it, and (3) describe the five steps marketers use to conduct it.

What Is Marketing Research?

Marketing research is the process of defining a marketing problem and opportunity, systematically collecting and analyzing information, and recommending actions.[4] Although imperfect, marketers conduct marketing research to reduce the risk inherent in—and thereby improve—marketing decisions. Technology has permitted marketers to gather data on an ongoing basis. This continuous monitoring permits marketers to have better access to data and make intelligence-based decisions.

The Challenges in Doing Good Marketing Research

Whatever the marketing issue involved—whether discovering consumer tastes or setting the right price—good marketing research is challenging. For example:

- Suppose your firm is developing a product that is completely new to the marketplace, and you are charged with estimating demand for the product. How can marketing research determine if customers will buy a product they have never seen, and never thought about, before?
- Understanding why customers purchase some products often requires answers to personal questions. How can marketing research obtain answers that people know but are reluctant to reveal?
- Past purchase behaviours may help firms understand the influence of marketing actions. How can marketing research help people accurately remember and report their interests, intentions, and purchases?

Marketing research must overcome these difficulties and obtain the information needed so that marketers can assess what customers want and will buy.

The Five-Step Market Research Approach

LO 2 A *decision* is a conscious choice from among two or more alternatives. All of us make many decisions daily. At work we choose from alternative ways to accomplish an assigned task. At school we choose from alternative courses. As consumers we choose from alternative brands. No magic formula guarantees correct decisions.

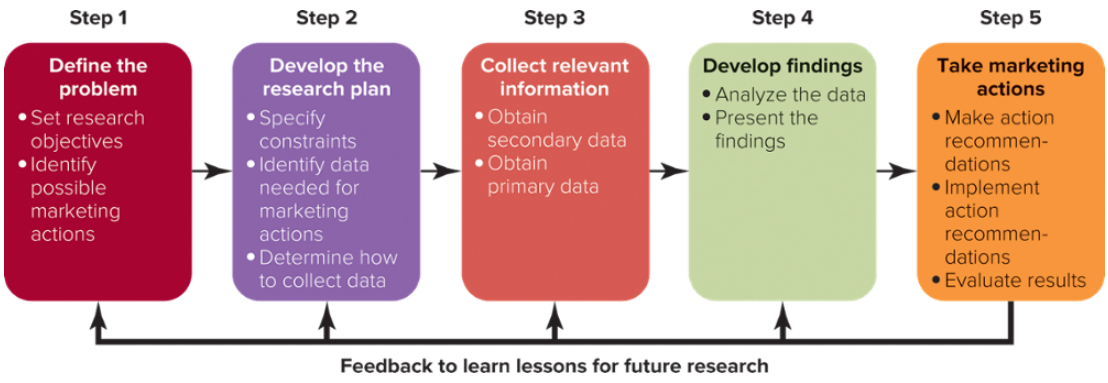
Managers and researchers have tried to improve the outcomes of decisions by using more formal, structured approaches to *decision-making*, the act of consciously choosing from among alternatives. In this chapter, we describe a systematic marketing research approach used to collect information to improve marketing decisions and actions. This five-step approach is shown in Figure 4–1. Although our focus in this chapter is on marketing decisions, this approach provides a systematic checklist for making both business and personal decisions.

Effective market research is not left to chance. A systematic approach ensures that market research is done thoroughly, that all elements are considered, and that results are accurate.

Let's look at the basic five-step approach that is commonly used to conduct market research studies. It is worth noting that not all research projects require qualitative and quantitative studies (steps 3 and 4). In many instances, qualitative research can suffice, while in others, quantitative studies are required for greater certainty.

Figure 4–1 shows this sequence of steps, and in the next few pages, we will discuss these steps in detail.

Figure 4–1 The basic market research process



Critical Thinking for Marketing

1. *What is marketing research?*
2. *What steps are included in the five-step market research process?*

Step 1: Define the Problem/Issue/Opportunity

The first step in the market research process is to clearly define the problem, issue, or opportunity, and to clarify the research objectives. This is often posed as a question that needs to be answered. The two key elements in defining a problem are setting the research objectives and identifying possible marketing actions.

Set the Research Objectives

Research **objectives** are specific, measurable goals the decision maker seeks to achieve in conducting the marketing research. Common research objectives are to discover consumer needs and wants, and to determine why a product is not selling. For Canadian Tire, the sales information from Triangle Rewards can assist in optimizing their product mix based on regional preferences.

Identify Possible Marketing Actions

Effective decision makers develop specific **measures of success**, which are criteria or standards used in evaluating proposed solutions to the problem. Different research outcomes, based on the measure of success, lead to different marketing actions.

Marketing researchers know that defining a problem is an incredibly difficult task. If the objectives are too broad, the problem may not be researchable. If they are too narrow, the value of the research results may be seriously diminished. This is why marketing researchers spend so much time defining a marketing problem precisely and writing a formal proposal that describes the research to be done.[5]

Using the Canadian Tire scenario, in an increasingly competitive and challenging retail environment, CTC has been able to drive sales growth. This is accomplished by attracting new customers to the Triangle reward program and by having existing customers purchase more with personalized offers. Consumers need to shop more to earn more Canadian Tire money.[6]

Step 2: Develop the Research Plan

The second step in the marketing research process requires that the researcher (1) specify the constraints on the marketing research activity, (2) identify the data needed for marketing actions, and (3) determine how to collect the data.

Specify Constraints

The **constraints** in a decision are the restrictions placed on potential solutions to a problem. Examples include the limitations on the time and money available to solve the problem.

What constraints might Canadian Tire Corporation set in launching a new product? They might establish the following constraints to select a new product. The decision (1) must be made within a given time frame (2) using the available Triangle Rewards data to determine the potential demand for the product.

Identify Data Needed for Marketing Actions

Effective marketing research studies focus on collecting data that will lead to effective marketing actions. Canadian Tire has rich customer data that is used to inform the product assortment in regional stores. An example of the data collected from a Canadian Tire location in Grande Prairie in rural Alberta versus a Canadian Tire in Liberty Village, a downtown Toronto neighbourhood, illustrates the value of this data. Automotive represents 22 percent of divisional sales at the Grande Prairie store versus 5 percent at Liberty Village. This impacts products such as tires and the assortment available at each of these stores and difference product assortments.[7]

Determine How to Collect Data

Determining how to collect useful marketing research data is often as important as actually collecting the data—step 3 in the process, which is discussed later. Two key elements to

consider in deciding how to collect the data are (1) concepts and (2) methods.

Concepts

In the world of marketing, *concepts* are ideas about products or services. To find out about consumer reactions to a potential new product, marketing researchers frequently develop a *new-product concept*, which is a picture or verbal description of a product or service the firm might offer for sale. For example, the Canadian Tire Corporation uses its Triangle Reward Members to survey new product possibilities.

Methods

Methods are the approaches that can be used to collect data to solve all or part of a problem. Special methods vital to marketing are (1) sampling and (2) statistical inference. For example, marketing researchers often use *sampling* by selecting a group of distributors, customers, or prospects, asking them questions and treating their answers as typical of all those in whom they are interested. They may then use *statistical inference* to generalize the results from the sample to much larger groups of distributors, customers, or prospects to help decide on marketing actions.

When determining the way in which data will be collected, methodology, cost, efficiency, and accuracy of results are important considerations. As a result, it is important to have a data collection plan.

There are mathematical considerations and operational issues that the researcher must consider. Determining how to collect the data is often as important as actually collecting the data. Researchers can consider whether available pre-existing data is sufficient to answer the research question or whether they need to conduct their own research using a variety of data collection methods, such as in-depth personal interviews, focus groups, telephone surveys, personal questionnaires, or mail surveys.

The Internet also provides numerous online tools that facilitate the gathering of information. Surveys can be easily completed online, and online communities and online bulletin boards can also be used to provide additional data.

To ensure that accurate answers are obtained, researchers carefully select research methodologies that encourage honesty. The method chosen is crucial to obtaining accurate results.

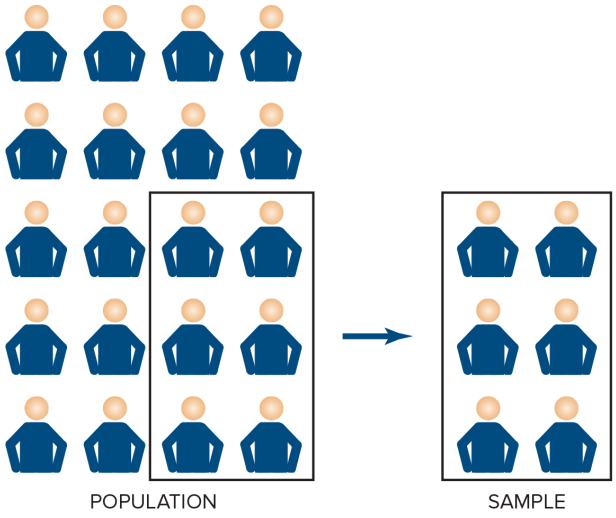
How can you find and use the methods that other marketing researchers have found successful? Information on useful methods is available in tradebooks, textbooks, and handbooks that relate to marketing and marketing research.

Canadian market researchers rely on their training, expertise, and judgment to make appropriate methodology decisions. They can also turn to their professional association, the Marketing Research and Intelligence Association, for resources and training.

Sampling is another important factor in research design. A researcher's sampling plan identifies who is to be sampled, how large the sample should be, and how the sample will be selected. Rarely does a research project involve a complete census of every person in the research population because this is time-consuming and costly. Therefore, market researchers use smaller samples that are representative of the population being surveyed. **Sampling** is the process of gathering data from a subset of the total population, rather than from all members of that particular group.

> *"Rarely does a research project involve a complete census of every person in the research population because this is time-consuming and costly."*

A properly selected sample should be representative of the population being researched; however, unless the entire population can be included, sampling errors can occur. Increasing the sample size can help decrease sampling error, but the larger the sample size, the higher the cost.



A properly selected sample should be representative of the population being studied.

Other factors that may impact research design are the timelines for the research to be completed and the budget. Currently, a number of market researchers are debating the validity of online market research studies, questioning whether online samples are valid because they exclude respondents who are not online. In reality, all research methodologies have advantages and disadvantages. Market researchers always need to understand the limitations of the methodology they select.

There are two basic sampling techniques: probability and non-probability sampling. **Probability sampling** involves precise rules to select the sample so that each element of the population has a specific known chance of being selected. For example, if your university wants to know how last year's 1,000 graduates are doing, it can put their names into a bowl and randomly select 100 names to contact. The chance of being selected (100 out of 1,000, or 1 in 10) is known in advance, and all graduates have an equal chance of being contacted. This procedure helps to select a sample (100 graduates) that should be representative of the entire population (the 1,000 graduates), and allows conclusions to be drawn about the population being researched.

Nonprobability sampling involves the use of arbitrary judgment by the market researcher to select a sample so that the chance of selecting a particular element of the population is either unknown or zero. If your university decided to talk to 100 of last year's graduates, but only selected those who lived closest, many graduates would be excluded. This would introduce a bias, tainting the representativeness of the sample and its ability to draw accurate conclusions.

It is worth noting that the researcher may decide to follow nonprobability sampling when time and budgets are limited, or for exploratory research purposes when conclusions are mostly directional and may require further research. In general, market researchers use data from such nonprobability samples with caution. The data can provide valuable information, but the results need to be viewed carefully as they may not accurately represent the population being researched.

Critical Thinking for Marketing

1. *What is marketing research?*
2. *What is the five-step marketing research approach?*

3. *What are constraints, as they apply to developing a research plan?*

4. *What are the differences between probability and nonprobability sampling?*

Step 3: Collect Relevant Information

LO 3 Collecting enough relevant information to make a rational, informed marketing decision sometimes simply means using your knowledge to decide immediately. At other times it entails collecting an enormous amount of information at great expense.

Figure 4–2 shows how the different kinds of marketing information fit together. **Data**, the facts and figures related to the project, are divided into two main parts: secondary data and primary data. **Secondary data** are facts and figures that have already been recorded prior to the project at hand. As shown in Figure 4–2, secondary data are divided into two parts—internal and external secondary data—depending on whether the data come from inside or outside the organization needing the research. **Primary data** are facts and figures that are newly collected for the project. Figure 4–2 shows that primary data can be divided into observational data, questionnaire data, and other sources of data.

MARKETING TIP

"In today's data-driven economy, market research is about speed more than it ever has been before. The need for faster, cheaper, and better research is changing the marketing landscape."

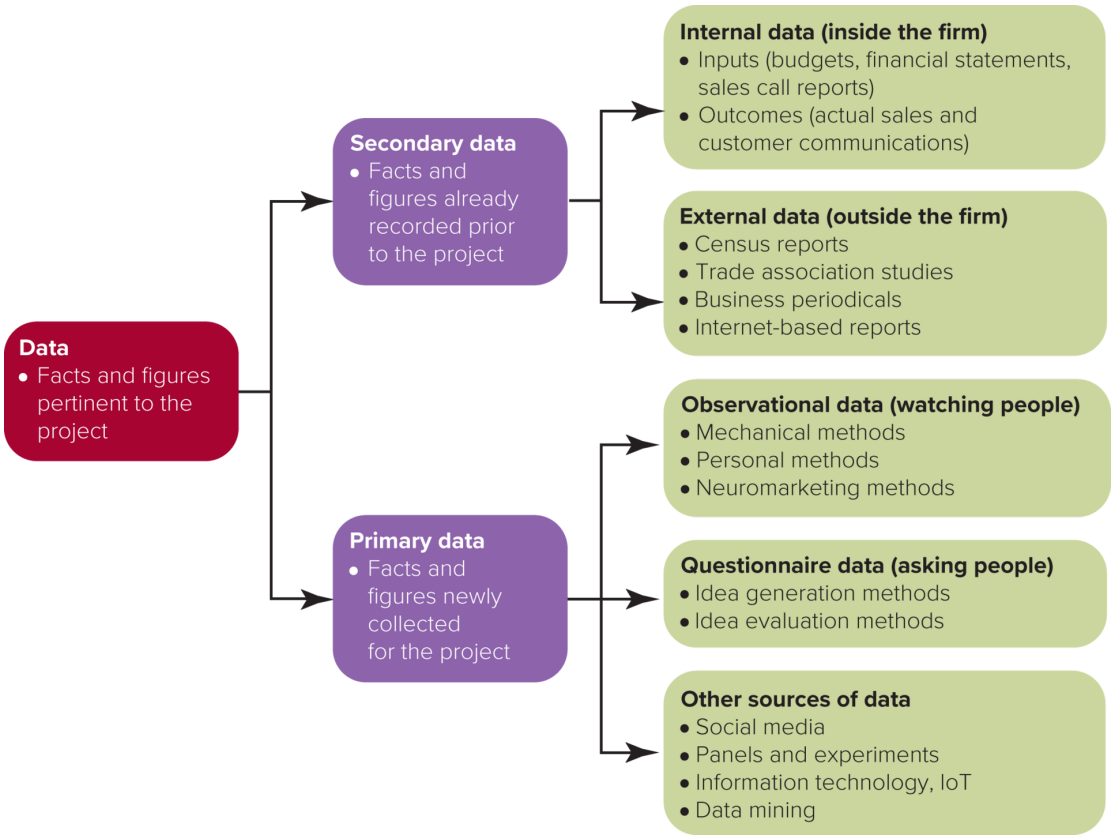
- Raj Manocha, EVP, Delvinia

Secondary research may be followed up by primary research such as focus groups or research with online communities.

Secondary Data

An overview of information sources of secondary data can be seen in Figure 4–2. These data come in two forms: internal data and external data. *Internal data* exist within a company and can include data derived from data analytics—or simpler approaches that review basic sales reports, profitability data, and costing information. *External data* come from published sources outside the organization.

Figure 4–2 Sources of information



Secondary Data: Internal

The internal records of a company generally offer the most easily accessible marketing information. These internal sources of secondary data may be divided into two related parts: (1) marketing inputs and (2) marketing outcomes.

Marketing input data relate to the effort expended to make sales. These range from marketing budget reports, which include advertising expenditures, to salespeople's call reports, which describe the number of sales calls per day, who was visited, and what was discussed.

Marketing outcome data relate to the results of the marketing efforts. These involve accounting records on shipments and include sales and repeat sales, often broken down by sales representative, industry, and geographic region. In addition, emails, phone calls, and letters from consumers can reveal both complaints and what is working well.[8]

Secondary Data: External

Published data from outside the organization are external secondary data. Statistics Canada publishes a variety of useful reports. Best known is the 2021 Census, which is the most recent count of the Canadian population that occurs every five years. These surveys contain detailed information on Canadian households, such as the number of people per household and the age, sex, race/ethnic background, income, occupation, and education of individuals within the household. Marketers use these data to identify characteristics and trends of ultimate consumers.

Several marketing research companies pay households and businesses to record all their purchases using a paper or electronic diary. Such *syndicated panel* data economically answer questions that require consistent data collection over time, such as, "How many times did our customers buy our products this year compared to last year?" Examples of syndicated

panels that provide a standard set of data on a regular basis are the Nielsen TV ratings and J.D. Power's automotive quality and customer satisfaction surveys.

Some data services provide comprehensive information on household demographics and lifestyle, product purchases, TV viewing behaviour, responses to coupon and free-sample promotions, and social media use. Their advantage is that a single firm can collect, analyze, interrelate, and present all this information. For consumer product firms such as Procter & Gamble, sales data from various channels help them allocate scarce marketing resources. As a result, they use tracking services such as IRI's InfoScan to collect product sales and coupon/free-sample redemptions that have been scanned at the checkout counters of supermarket, drug, convenience, and mass merchandise retailers.

Finally, trade associations, universities, and business periodicals provide detailed data of value to marketing researchers and planners. These data are often available online and can be identified and located using a search engine such as Google or Bing.

Statistics Canada, the federal government's statistical agency, publishes a wide variety of useful reports, such as census data that include information on the number of people per household and their ages, gender, ethnic background, income, occupation, and education. Statistics Canada also publishes a wide range of other statistical reports that are used by businesses across the country. These reports include information on economic indicators, international trade, and other industry groups.

A list of some online secondary research sources is detailed in the Marketing Matters box, **Online Databases and Internet Resources Useful to Marketers**. Marketers can read interesting articles, view snapshots of research projects, download full reports, or read synopses of research studies.

Marketing Matters

Online Databases and Internet Resources Useful to Marketers

Marketers in search of secondary data can utilize a wide variety of online databases and Internet resources. These resources provide access to articles in periodicals; statistical or financial data on markets, products, and organizations; and reports from commercial information companies.

Sources of news and articles include:

Alliance for Audited Media	**www.auditedmedia.com**
Bank of Canada	**www.bankofcanada.ca**
Canadian Marketing Association	**www.the-cma.org**
Census Canada	**www12.statcan.gc.ca**
comScore	**www.comscore.com**
eMarketer	**www.emarketer.com**
Euromonitor International	**www.euromonitor.com**
Forrester Research	**www.forrester.com**
GFK Group	**www.gfk.com**
Government of Canada	**www.canada.gc.ca**

Innovation, Science and Economic Development Canada (formerly Industry Canada)	www.ic.gc.ca
Interactive Advertising Bureau of Canada	www.iabcanada.com
IBISWorld	www.ibisworld.com
Ipsos Canada	www.ipsos.ca
Leger, The Research Intelligence Group	www.leger360.com
Numeris	www.numeris.ca
Organisation for Economic Co-operation and Development (OECD)	www.oecd.org
Pew Research Center	www.pewresearch.org
SEDAR	www.sedar.com
Solutions Research Group	www.srgnet.com
Statista	www.statista.com
Statistics Canada	www.statcan.gc.ca
World Advertising Research Center	www.warc.com

WORTH NOTING

Your library may have access to various online databases that can assist with research projects. Examples of these databases are Business Source Complete, Statistics Canada Census Data, CBCA Business, Canadian Newsstand, Conference Board of Canada, Factiva, LexisNexis Academic, Mergent Online, Proquest, Scott's Canadian Business Directory, and ThompsonOne.

Critical Thinking for Marketing

1. *What are some of the online tools available to market researchers?*
2. *What are the advantages and disadvantages of secondary data?*

Advantages and Disadvantages of Secondary Data

A general rule among marketing researchers is to obtain secondary data first and then collect primary data. Two important advantages of secondary data are (1) the tremendous time savings because the data have already been collected and published or exist internally and (2) the low cost, such as free or inexpensive Census reports. Furthermore, a greater level of detail is often available through secondary data, especially Statistics Canada data.

However, these advantages must be weighed against some significant disadvantages. First, the secondary data may be out of date, especially if they are Statistics Canada data collected only every 5 years. Second, the definitions or categories might not be quite right for a researcher's project. For example, the age groupings or product categories might be wrong for the project. Also, because the data have been collected for another purpose, they may not be specific enough for the project. In such cases, it may be necessary to collect primary data.

Primary Data: Watching People

LO 4 In a research project, a general rule is to first obtain secondary data followed by detailed, proprietary primary data. Primary data is data that is original and specifically collected for the project at hand. Let's review the primary sources

of information.

Observational data is obtained by watching how people actually behave, either in person or by using mechanical, personal or neuromarketing methods. Observational data can be collected by mechanical (including electronic), personal, or neuromarketing methods.

While observational research can be qualitative if small sample numbers are recorded, large samples are used for reports such as those provided by Nielsen with its Homescan program. With Homescan, panellists scan the barcodes on products that they purchase each week.[9] Other examples of observational research can be in the form of the social listening research mentioned earlier, as well as web-tracking software such as Google Analytics, which measures website traffic, unique visitors, page views, time on site, and referring sites.

Observational research can also be done in person, with researchers observing elements such as customer interaction with a salesperson. Observational research tools are both useful and flexible, but they can be costly and unreliable when dependent upon human observation, because sometimes different people report different conclusions after watching the same event.

> *"Market researchers have to make important trade-offs to balance costs against the expected quality of information."*

Observing people and asking them questions are the two principal ways to collect new or primary data for a marketing study. Facts and figures obtained by watching how people actually behave is the way marketing researchers collect observational data. Observational data can be collected by mechanical (including electronic), personal, or neuromarketing methods.

Mechanical Methods

National TV ratings in Canada are an example of mechanical observational data collected by a "people meter." The device measures what channel and program are tuned in and who is watching. The people meter (1) is a box that is attached to a television, DVR, cable box, or satellite dish in households across the country; (2) has a remote control unit that is used to indicate when a viewer begins and finishes watching a TV program; and (3) stores and then transmits the viewing information to Nielsen and Numeris. Data about TV viewing are also collected using diaries (a paper-pencil recording system).[10]

Personal Methods

Watching consumers in person is another approach to collecting observational data.

One more method of collecting observational data is through the use of mystery shoppers. Companies pay researchers to shop at their stores, outlets, or showrooms to obtain the point of view of actual customers. Mystery shoppers can check on the availability and pricing of products and services, and on the quality of the customer service provided by employees. Supermarkets, electronics stores, banks, theme parks, and many other businesses use this technique as part of their *customer experience management* efforts, thus evaluating customer service, store cleanliness, and staff appearance and conduct. This process provides unique marketing research information that can be obtained in no other way.[11]

Ethnographic research is a specialized observational approach in which trained observers seek to discover subtle behavioural and emotional reactions as consumers encounter products in their "natural use environment," such as in their home or car.[12] For example, Kraft launched Deli Creations—sandwiches made with its Oscar Mayer meats, Kraft cheeses, and Grey Poupon mustard—after spending several months with consumers in their kitchens. Kraft discovered that consumers wanted complete, ready-to-serve meals that are easy to prepare—and it had the products to create them.[13]

Personal observation is both useful and flexible, but it can be costly and unreliable if different observers report different conclusions when watching the same event. And while observation can reveal *what* people do, it cannot easily determine *why* they do it.



Neuromarketing often uses a headset with sensors to measure brain waves to try to understand consumers better.

Ronny Hartmann/picture-alliance/dpa/AP Images

Neuromarketing Methods

Marketing researchers are also utilizing neuromarketing methods to observe responses to unconscious stimuli. Neuromarketing is a relatively new field of study that merges technologies used to study the brain with marketing's interest in understanding consumers. Aradhna Krishna, one of the foremost experts in the field, suggests that "many companies are just starting to recognize how strongly the senses affect the deepest parts of our brains." Other neuroscience tools such as eye tracking, biometric monitoring, and facial coding are also being used to complement brain studies.[14]

Neuromarketing can provide insights for many elements of a marketing program, including media options, advertising content, packaging, and labelling. Based on the results of neuromarketing studies, for example, Campbell Soup Company changed the labels of most of its soup cans. Some of the changes: steam now rises from more vibrant images of soup; the "unemotional spoons" have disappeared; and the script logo is smaller and has been moved to the bottom of the can.[15]

Primary Data: Asking People

How many times have you responded to some kind of a questionnaire? Maybe it was a short survey at school rating your course or your professor, or perhaps it was a telephone or email survey asking if you were pleased with some type of service you received. Asking consumers questions and recording their answers is the second principal way of gathering information.

We can divide this primary data collection task into (1) idea generation methods and (2) idea evaluation methods, although they sometimes overlap and each has a number of special techniques.[16] Each survey method results in valuable **questionnaire data**, which are facts and figures obtained by asking people about their attitudes, awareness, intentions, and behaviours.

Idea Generation Methods—Coming Up with Ideas

In the past, the most common way of collecting questionnaire data to generate ideas was through an *individual interview*: a single researcher asks questions of one respondent. **In-depth interviews** are detailed individual interviews where a researcher discusses topics with an individual at length in a free-flowing conversation in order to discover information that may help solve a marketing problem.This approach has many advantages, such as being able to probe for additional ideas using follow-up questions to a respondent's initial answers. However, this method is very expensive. Later in the chapter we'll discuss some alternatives.

General Mills wanted to know why Hamburger Helper didn't fare well when it was introduced. General Mills researchers used a special kind of individual interview, called a *in-depth interview*, in which lengthy, free-flowing kinds of questions are asked to probe for underlying ideas and feelings.

The initial Hamburger Helper instructions called for cooking a half pound of hamburger separately from the noodles or potatoes, which were later mixed with the meat. The depth interviews discovered that consumers (1) didn't think it contained enough meat and (2) didn't want the hassle of cooking in two different pots. The Hamburger Helper product manager changed the recipe to call for a full pound of meat and to allow users to prepare everything in one dish, leading to product success.



Focus groups of students and instructors were used in developing this textbook.

Spencer Grant/PhotoEdit

Focus groups are informal group of six to ten past, present, or prospective customers. A discussion leader, or moderator, asks for opinions about the firm's products and those of its competitors, including how they use these products and special needs they have that these products don't address. Often recorded and conducted in special interviewing rooms with a two-way mirror, these groups enable marketing researchers and managers to hear and watch consumer reactions.

The informality and peer support in an effective focus group help uncover ideas that are often difficult to obtain with individual interviews. For example, to improve understanding and learning by students using this textbook, focus groups were conducted among both marketing instructors and students.

"A popular qualitative research technique is the focus group."

Subway was experiencing declining sales and closing stores somewhat attributed to the disgraced spokesperson "Jared" and the CBC report that claimed that only 50 percent of the chicken served at Subway was actually chicken, with the remaining being soy. Subway sued CBC for defamation but the company wanted to make some changes, according to Lisa Mazurkewich, the head of marketing for Subway Canada. "There were some trust issues," says Mazurkewich, explaining that "misinformation and unreliable studies" called into question the integrity of Subway's ingredients. "We took it upon ourselves as an organization to refresh, looking at a lot of things, from the quality of our ingredients to our customer service."

In October 2021 Subway Canada launched focus groups to learn what consumers thought of the brand. They found that while customers still had a lot of warmth and nostalgia for the chain, it was time for a new campaign to create some excitement and highlight the quality of its offerings.

So in early 2022, Subway Canada launched its Eat Fresh Refresh campaign. It introduced new brand ambassadors, revamped menu items, like rice bowls, and upgraded ingredients, adding Canadian cheddar cheese and smashed avocado. For

spokespeople, Subway selected a diverse group of athletes from across the country, including tennis star Leylah Fernandez, NHL player Mark Messier and Olympic sprinter Andre De Grasse.[17]

Finding "the next big thing" for consumers has caused marketing researchers to turn to some less traditional techniques. For example, "fuzzy front end" methods attempt early identification of elusive consumer tastes or trends. Trend Hunter is a firm that seeks to anticipate and track "the evolution of cool." Trend hunting (or watching) is the practice of identifying "emerging shifts in social behavior," which are driven by changes in pop culture that can lead to new products. Trend Hunter has identified about 252,000 cutting-edge ideas through its global network of 155,000 members, and it features these new ideas on its daily Trend Hunter TV broadcast via its YouTube channel (trendhuntertv).[18]



Wendy's spent over two years remaking its 42-year-old burger. The result: Dave's Single (also available in Double and Triple), named after Wendy's founder, Dave Thomas. See **Figure 4–3** for some questions that Wendy's asked consumers in a survey to discover their fast-food preferences, behaviours, and demographics.

Source: Wendy's International, LLC

Idea Evaluation Methods—Testing an Idea

In idea evaluation, the marketing researcher tries to test ideas discovered earlier to help the marketing manager recommend marketing actions. Idea evaluation methods often involve conventional questionnaires using personal, mail, telephone, and online (email or Internet) surveys of a large sample of past, present, or prospective consumers. In choosing among them, the marketing researcher balances the cost of the particular method against the expected quality of the information and the speed with which it can be obtained.

Personal interview surveys enable the interviewer to be flexible in asking probing questions or getting reactions to visual materials but are very costly. *Mail surveys* are usually biased because those most likely to respond have had especially positive or negative experiences with the product or brand. While *telephone interviews* allow flexibility, unhappy respondents may hang up on the interviewer, even with the efficiency of computer-assisted telephone interviewing (CATI).



Surveys can gather data from a large number of consumers.

Andrey_Popov/Shutterstock

Increasingly, marketing researchers have begun to use *online surveys* (email and Internet) to collect primary data. That's because most consumers have an Internet connection and an email account. Marketers can embed a survey in an email sent to targeted respondents. When they open the email, consumers can either see the survey or click on a link to access it from a website. Marketers can also ask consumers to complete a "pop-up" survey in a separate browser window when they access an organization's website. Many organizations use this method to have consumers assess their products and services, or evaluate the design and usability of their websites.

The advantages of online surveys are that the cost is relatively minimal and the turnaround time from data collection to report presentation is much quicker than the traditional methods discussed earlier. However, online surveys have serious drawbacks. Some consumers may view email surveys as "junk" or "spam" and may either choose to not receive them (if they have a spam blocker) or purposely or inadvertently delete them, unopened. Some consumers have a pop-up blocker that prohibits a browser from opening a separate window that contains the survey; thus, they may not be able to participate in the research.

For both email and Internet surveys, consumers can complete the survey multiple times, creating a significant bias in the results. This is especially true for online panels. In response, research firms such as SurveyMonkey have developed sampling technology to prohibit this practice.[19]

The foundation of all research using questionnaires is developing precise questions that get clear, unambiguous answers from respondents.[20] **Figure 4–3** shows a number of formats for questions taken from a Wendy's survey that assessed fast-food restaurant preferences among present and prospective consumers.

Figure 4–3 To obtain the most valuable information from consumers, this Wendy's survey uses four different kinds of questions discussed in the text

1. What things are most important to you when you decide to eat out at a fast-food restaurant?

_____

_____

_____

2. Have you eaten at a fast-food restaurant in the past month?

○ Yes ○ No

3. If you answered yes to question 2, how often do you eat at a fast-food restaurant?

○ Once a week or more ○ 2 to 3 times a month ○ Once a month or less

4. How important is it to you that a fast-food restaurant satisfies you on the following characteristics?
[Check the response that describes your feelings for each characteristic listed.]

Characteristic	Very Important	Somewhat Important	Important	Unimportant	Somewhat Unimportant	Very Unimportant
• Taste of food	○	○	○	○	○	○
• Cleanliness	○	○	○	○	○	○
• Price	○	○	○	○	○	○
• Variety of menu	○	○	○	○	○	○

5. For each of the characteristics listed below check the space on the scale that describes how you feel about Wendy's. Mark an X on only one of the five spaces for each characteristic listed.

Characteristic		Check the space that describes the degree to which Wendy's is . . .					
• Taste of food	Tasty	_____	_____	_____	_____	_____	Not Tasty
• Cleanliness	Clean	_____	_____	_____	_____	_____	Dirty
• Price	Inexpensive	_____	_____	_____	_____	_____	Expensive
• Variety of menu	Broad	_____	_____	_____	_____	_____	Narrow

6. Check the response that describes your agreement or disagreement with each statement listed below:

Statement	Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree
• Adults like to take their families to fast-food restaurants	○	○	○	○	○
• Our children have a say in where the family chooses to eat	○	○	○	○	○

7. How important are each of the following sources of information to you when selecting a fast-food restaurant at which to eat? [Check one response for each source listed.]

Source of Information	Very Important	Somewhat Important	Not at All Important
• Television	○	○	○
• Newspapers	○	○	○
• Radio	○	○	○
• Billboards	○	○	○
• Internet	○	○	○
• Social networks	○	○	○

8. How often do you eat out at each of the following fast-food restaurants? [Check one response for each restaurant listed.]

Restaurant	Once a Week or More	2 to 3 Times a Month	Once a Month or Less
• Burger King	○	○	○
• McDonald's	○	○	○
• Wendy's	○	○	○

9. As head of the household, please answer the following questions about you and your household. [Check only one response for each question.]

a. What is your gender? ○ Male ○ Female

b. What is your marital status? ○ Single ○ Married ○ Other (widowed, divorced, etc.)

c. How many children under age 18 live in your home? ○ 0 ○ 1 ○ 2 ○ 3 or more

d. What is your age? ○ Under 25 ○ 25–44 ○ 45 or older

e. What is your total annual individual or household income?
○ Less than $15,000 ○ $15,000–$49,000 ○ Over $49,000

Question 1 is an example of an *open-ended question*, which allows respondents to express opinions, ideas, or behaviours in their own words without being forced to choose among alternatives that have been predetermined by a marketing researcher. This information is invaluable to marketers because it captures the "voice" of respondents, which is useful in understanding consumer behaviour, identifying product benefits, and developing advertising messages.

In contrast, *closed-end* or *fixed alternative questions* require respondents to select one or more responses from a set of predetermined options. Question 2 is an example of a *dichotomous question*, the simplest form of a fixed alternative question that allows only a yes or no response.

A fixed alternative question with three or more choices uses a *scale.* Question 5 is an example of a question that uses a *semantic differential scale*, a five-point scale in which the opposite ends have one- or two-word adjectives that have opposite meanings. For example, depending on the respondent's opinion regarding the cleanliness of Wendy's restaurants, they would check the left-hand space on the scale, the right-hand space, or one of the three other intermediate points. Question 6 uses a *Likert scale*, in which the respondent indicates the extent to which they agree or disagree with a statement.

The questionnaire in **Figure 4–3** provides valuable information to the marketing researcher at Wendy's. Questions 1 to 8 reveal the respondent's likes and dislikes in eating out, frequency of eating out at fast-food restaurants generally and at Wendy's specifically, and sources of information used in making decisions about fast-food restaurants. Question 9 supplies details about the respondent's personal or household characteristics, which can be used in trying to segment the fast-food market, a topic discussed in **Chapter 6**.

Marketing research questions must be worded precisely so that all respondents interpret the same question similarly. For example, in a question asking whether you eat at fast-food restaurants regularly, the word *regularly* is ambiguous. Two people might answer yes to the question, but one might mean once a day while the other means once or twice a month. Each of these interpretations suggests a dramatically different marketing action that should be directed to each of these prospective consumers.

Check out **Figure 4–4** for hints on how to write better survey questions.

Figure 4–4 Mistakes to avoid when writing survey questions

1. Leading or loaded questions Questions designed to make a person think in a specific way. **Avoid:** Some people say that the food at XYZ restaurant is fantastic, what do you think? (You have already put a positive impression in the mind of the respondent.) **Better:** What do you think about the food at XYZ restaurant?
2. Nonspecific questions Questions that cannot be clearly understood. **Avoid:** Do you watch Netflix regularly? (What is regularly? This term can have different meanings to different people.) **Better:** How often do you watch Netflix?
3. Missing options Potential answers are missing. **Solutions:** o Conduct a pretest to determine potential responses. o Include "Other (please specify)" as an option.
4. Asking two questions at one time Questions that ask two things but the respondent can only provide one answer. **Avoid:** What is the fastest and least expensive Internet provider? **Better:** What is the least expensive Internet provider? What is the fastest Internet provider?
5. Confusing wording Questions that include acronyms, industry jargon, or any other language that may be unfamiliar to the respondent. **Avoid:** Do you own an iOS smartphone? **Better:** Do you own an iPhone?

Source: Sam Lloyd, "The 10 Commandments for Writing Outstanding Survey Questions," Qualtrics, January 28, 2013, www.qualtrics.com/blog/good-survey-questions/; Tara Wildt, "Marketing Research 101: Six Common Mistakes in Survey Questionnaire Design," Lightspeed GMI, September 21, 2015, http://blog.lightspeedgmi.com/marketing-research-101-six-commons-mistakes-in-survey-questionnaire-design.

The high cost of using personal interviews in homes has increased the use of *mall intercept interviews*, which are personal interviews with customers visiting shopping centres. These face-to-face interviews reduce the cost of personal visits to consumers in their homes while providing the flexibility to show respondents visual cues such as ads or actual product samples. A disadvantage of mall intercept interviews is that the people interviewed may not be representative of the customers targeted, giving a biased result.

Electronic technology has revolutionized traditional concepts of interviews or surveys. Today, respondents can walk up to a kiosk in a shopping centre, read questions off a screen, and key their answers into a computer on a touch screen. Fully automated telephone interviews exist in which respondents enter their replies on a touch-tone telephone.

Primary Data: Other Sources

Four other methods of collecting primary data exist that overlap somewhat with the methods just discussed. These involve using (1) social media, (2) panels and experiments, (3) information technology, and (4) data analytics and data mining. Social media and panels and experiments are discussed below. Information technology, data analytics, and data mining are discussed in the next section, Step 4: Develop Findings.

Social Media

Facebook, X (formerly known as Twitter), and other social media are revolutionizing the way today's marketing research is done. In developing a new potato chip flavour, Frito-Lay substituted Facebook research for its usual focus groups. Visitors to its Facebook Page were polled, allowing them to suggest new flavours, three of which appeared in supermarkets. All they had to do was click a Vote button to show their preferences. And Estée Lauder asked social media users to vote on which discontinued shades to bring back.[21]

The growth in social media and its ability to influence consumers has given rise to a new exploratory research technique, *social listening*, which monitors public online consumer conversations and images on social media sites such as social networks, blogs, and public forums. The metrics derived from social listening can measure positive and negative sentiments, popularity scores, message reach, the levels of conversation, and buzz and crisis monitoring. Social listening research can take the form of qualitative or quantitative information depending on the parameters of the study.[22]

"Social listening raises an important ethical issue."



Pizza Hut uses social listening to make product strategy decisions.

©simon evans/Alamy Stock Photo

Pizza Hut Canada has used social listening extensively and has been able to make product strategy decisions based on the results. In the past, Pizza Hut has used social media to post different product images and then track the response and conversation around each image. The one that received the largest response was used in its ads. In another case, Pizza Hut was monitoring social media in the U.K. and noted that customers believed that the new Triple Treat box was too big for one person. Using this information, when the Triple Treat was launched in Canada, Pizza Hut emphasized sharing the pizza with friends and family, thereby avoiding the negative feedback seen in the U.K.[23]

Social listening raises an important ethical issue: While participants in social networks realize many of their comments and pictures are publicly posted, they may not be aware that their conversations may be monitored and used for research purposes. Social networks are required to have privacy policies that protect consumer data from being kept and misused by third parties, and marketers need to abide by these laws.

Marketing researchers increasingly want to glean information from sites to "mine" their raw consumer-generated content in real time. However, when relying on this consumer-generated content, the sample of individuals from whom this content is gleaned may not be statistically representative of the marketplace.[24]

Panels and Experiments

Two special ways that observations and questionnaires are sometimes used are panels and experiments.

Marketing researchers often want to know if consumers change their behaviour over time, so they take successive measurements of the same people. Formally, a survey **panel** includes a large sample of respondents that voluntarily complete questionnaires on a regular basis so that researchers can assess changes in behaviour and attitudes. An **omnibus survey** also includes the voluntary participation of respondents in routine surveys, allowing individual marketers to add a small number of questions to an existing survey to receive cost-effective data in response to their questions.

Ipsos conducts omnibus surveys with homeowners, parents, teens, and separate provincial online omnibus surveys, even providing an overnight omnibus survey for next-day results.

MARKETING TIP

"With automation, and access to consumer panels, brands can now gather customer opinions in a matter of hours, giving them the ability to react in real time and implement the feedback they receive."

- Raj Manocha, EVP, Delvinia

A *panel* is a sample of consumers or stores from which researchers take a series of measurements. For example, the NPD Group collects data about consumer purchases such as apparel, food, and electronics from its online Consumer Panel, which consists of nearly two million individuals worldwide. So a firm like General Mills can count the frequency of consumer purchases to measure switching behaviour from one brand of its breakfast cereal (Wheaties) to another (Cheerios) or to a competitor's brand (Kellogg's Special K). A disadvantage of panels is that the marketing research firm needs to recruit new members continually to replace those who drop out. These new recruits must match the characteristics of those they replace to keep the panel representative of the marketplace.

A marketing **experiment** involves changing a variable involved in a purchase to find out what happens. Ideally, the researcher changes just one element, usually one of the factors in the marketing mix, and keeps the other variables constant. The interest is in whether changing one of the independent variables (a cause) will change the behaviour of the dependent variable that is studied (the result).

In marketing experiments, the independent variables of interest—sometimes called the marketing *drivers*—are often one or more of the marketing mix elements, such as a product's features, price, or promotion (like advertising messages or coupons). The ideal dependent variable usually is a change in the purchases (incremental unit or dollar sales) of individuals, households, or organizations.

A/B testing, also known as split testing, is a marketing experiment wherein you split your audience to test a number of variations of a campaign and determine which performs better. In other words, you can show version A of a piece of marketing content to one half of your audience, and version B to another.[25]

Experiments can be conducted either in contrived environments that mimic real-life situations, known as *simulated* test markets, or *in-market* through real-time in-field tests where the product/promotion is actually sold in a limited location and monitored for success during a specific time period. Contrived, simulated experiments use computer simulations to predict

consumer behaviour. Marketers typically input marketing mix variables and rely on complex forecasting programs to determine potential success levels. Formally, a **test market** is an in-market localized approach, or short-term online destination, used to test the success of promotional offers, new services, or new-product launches.

Test markets can provide a more realistic evaluation of product or promotional success than other research options. However, test markets are time-consuming, costly, and visible to the competition. In terms of promotional offers, Internet marketers routinely test pay-per-click advertising campaigns, alternative online consumer offers, and the design of various website landing pages. For new products, large companies often use test markets to determine whether consumers will buy new products or brands, or shop at a new store concept.

There are several cities in Canada that are used regularly as test markets for a variety of different products/services. McDonald's Chicken McNuggets and Tim Hortons Dark Roast coffee were tested in London, Ontario. Test cities tend to be under 1 million in population and need to be similar culturally to the rest of the country, with a variety of socio-economic backgrounds represented. Other frequent test markets in Canada are Edmonton, Alberta, and Barrie, Ontario.[26]

A potential difficulty with experiments is that outside factors (such as actions of competitors) can distort the results of an experiment and affect the dependent variable (such as sales). A researcher's task is to identify the effect of the marketing variable of interest on the dependent variable when the effects of outside factors in an experiment might hide it.

Advantages and Disadvantages of Primary Data

Compared with secondary data, primary data have the advantages of being more flexible and more specific to the problem being studied. The main disadvantages are that primary data are usually far more costly and time-consuming to collect than secondary data.

Step 4: Develop Findings

Analyzing marketing data today often involves very sophisticated and complex methods. Examples of this include big data, data analytics, artificial intelligence, data mining, and predictive modelling.

Analyze the Data

Analyzing marketing data today often involves very sophisticated and complex methods. Examples of this include big data, data analytics, artificial intelligence, data mining, and predictive modelling.

Big Data, Data Analytics, and Artificial Intelligence

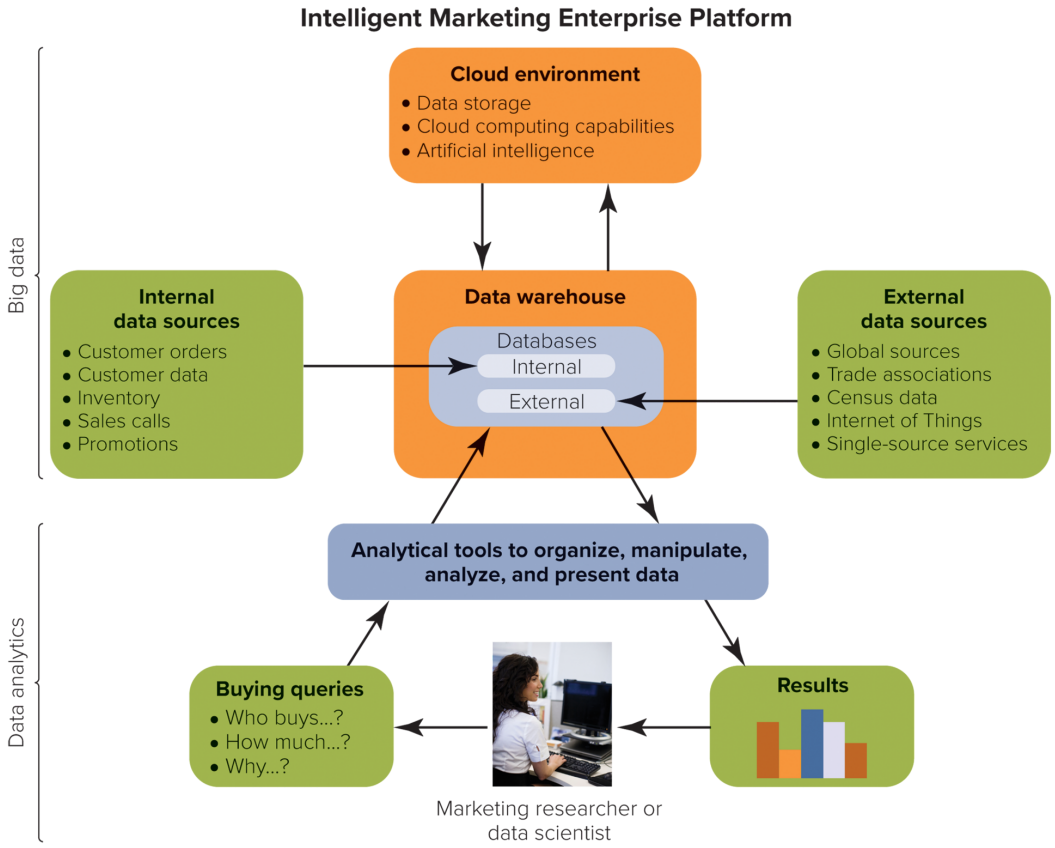
Big data is a broad term generally used to describe large amounts of data collected from a variety of sources and analyzed with an increasingly sophisticated set of technologies. **Information technology** includes all of the computing resources that collect, store, and analyze the data.

Marketing researchers have observed that today we live in an era of data deluge. The challenge facing managers is not data collection, or even storage, but how to efficiently transform the huge amount of data into useful information. This transformation is accomplished through the use of data analytics. Products such as Yahoo!'s Hadoop and Google's Bigtable are examples of the analytical tools available for people often referred to as data scientists. Their work is also creating a new field of marketing research that focuses on *data visualization*, or the presentation of the results of the analysis.

Today, marketers obtain data from many sources such as barcode scanners at checkout counters, online tracking software on computers and tablets, and usage histories on your telephone. In fact, the growth of the Internet of Things (IoT) now allows data collection from almost any device a consumer might use. Marketing managers use a combination of data, technology, and analytics to convert the data into useful information that answer marketing questions and lead to effective marketing actions. An organization that accomplishes this successfully is often referred to as an *intelligent enterprise*.[27]

As shown in **Figure 4–5**, the elements of an intelligent marketing enterprise platform interact to facilitate the work of the marketing researcher or data scientist. The top half of the figure shows how big data are created through a sophisticated communication network that collects data from internal and external sources. These data are stored, organized, and managed in databases. Collectively, these databases form a data warehouse. Data storage (and computing) may also take place in "the cloud," which is simply a collection of servers accessed through an Internet connection. Large databases are also subject to *artificial intelligence* platforms that undertake reasoning and common sense tasks to allow computers to "behave" intelligently. IBM, Tesla, and Amazon, for example, are using artificial intelligence to operate Watson, guide self-driving cars, and make purchase recommendations, respectively.[28]

Figure 4–5 How marketing researchers and managers use an intelligent enterprise platform to turn data into action



Todd Warnock/Lifesize/Getty Images

As shown at the bottom of Figure 4-5, data analytics consists of several elements. Marketers use computers to specify important marketing queries or questions and to access the databases in the warehouse (or the cloud). Analytical tools are used to organize and manipulate the data to identify any managerial insights that may exist. The results are then presented using tables and graphics for easier interpretation. When accessing a database, marketers can use sensitivity analysis to ask "what if" questions to determine how hypothetical changes in product or brand drivers—the factors that influence the buying decisions of a household or organization—can affect sales.

Traditional marketing research typically involves identifying possible drivers and then collecting data. For example, we might collect data to test the hypothesis that increasing couponing (the driver) during spring will increase trials by first-time buyers (the result).

Data Mining and Predictive Modelling

In contrast, **data mining** is the practice of examining large databases to find statistical relationships between consumer purchasing patterns. Some of these are common sense: Since many consumers buy peanut butter and grape jelly together, why not run a joint promotion between Skippy peanut butter and Welch's grape jelly? But would you have expected that men buying diapers in the evening sometimes buy a six-pack of beer too? Supermarkets discovered this when they mined purchase data from checkout scanners. So they placed diapers and beer near each other, then placed potato chips between them—and increased sales on all three items!



At 10 P.M., what is this man likely to buy besides these diapers? For the curious answer that data mining reveals, see the text.

©Brent Jones

Refinements in data mining and data analytics now permit marketers to actually foresee consumer behaviour using **predictive modelling**—statistical models that use data mining and probability analysis to foretell outcomes. These models contain a number of predictors, or variables, that affect the likelihood of future results.

As an example, Target has used data mining to identify 25 products that, when bought together or over time, predict a woman's likelihood of being pregnant as well as her child's expected due date. To determine the probability of pregnancy, a woman's purchase patterns, coupled with available demographic data, are linked to published baby registries. Predictive modelling shows that certain items are purchased in the first trimester, others in the second trimester, and still others in the third trimester, including the baby's due date. For good measure, the buying of blue or pink items indicates a high probability of the child's gender. Armed with this knowledge, Target is able to send product ads and coupons to mothers-to-be appropriate for each stage in her pregnancy.[29]

For how much data mining and predictive modelling can reveal about you and your purchasing behaviour and a look at the ethical issues involved, see the Making Responsible Decisions box, **No More Personal Secrets: The Downside of Data Mining and Predictive Modelling**.

Making Responsible Decisions

No More Personal Secrets: The Downside of Data Mining and Predictive Modelling[a]

Amazon, Google, Yahoo!, eBay, YouTube, reputation.com . . . yes . . . and Facebook and X, too!

The common denominator for all these is sophisticated data mining techniques that reveal an incredible amount of personal information about almost anyone. *Time* journalist Joel Stein, using both online and offline sources, discovered how easily outsiders could find his U.S. Social Security number and then found a number of other things about himself—some correct, some not.

For example, his data mining effort revealed that he likes hockey, rap, rock, parenting, recipes, clothes and beauty products, and movies. He makes most of his purchases online, averaging only $25 per purchase. He uses

Facebook, LinkedIn, Pandora, and StumbleUpon. He bought his house in November, which is when his home insurance is up for renewal. His dad's wife has a traffic ticket.



Protecting your personal data...

Rawpixel.com/Shutterstock

And some sources predicted that he is an 18- to 19-year-old woman! For the record, Mr. Stein is not a teen, and he is a male.

OK, OK, sometimes data mining and predictive modelling errors occur!

These data are collected in many ways—from tracking devices on websites; to apps downloaded on a smartphone, PC, or tablet device that reveal a user's contact list and location; to techniques that aggregate data from multiple online sources.

These personal details have huge benefits for marketers, but do they invade a consumer's privacy? Data mining and predictive modelling now enable companies to target individual consumers and facilitate the design of personalized product offerings. This involves using not only demographics such as age and gender but also "likes," past buying habits, social media used, brands bought, TV programs watched, stores visited, and so on.

Questions

1. What are some of the sources of data mining that you use regularly online that may be capturing your personal information?
2. Go to **www.ghostery.com** and find out what companies are grabbing your data when you visit a website.

Analytics

Analytics refers to the process of taking metrics data and applying smart thinking and technology to gain actionable insights that can help make better business decisions. An analytics platform helps show where the company is today, answers questions, provides customer insights, and predicts patterns that can improve marketing performance. Analytics can help segment customers, plan and forecast, manage risk, and take corrective action. It may start by mining data, analyzing the information, modelling the data to predict outcomes, and visualizing data with dashboards that appear in reports.

Let's look at two of the main categories of big data analytics: descriptive and predictive.

Descriptive Analytics

Descriptive analytics focus on *what has happened*. It is the simplest and most common form of analytics. Web analytics, social analytics, and RFM (recency, frequency, and monetary value) analysis are descriptive.

Web analytics is the measurement and analysis of website data, looking at elements such as visits, unique visitors, page views, time on site, traffic sources, referrals, and bounce rate. Google Analytics is an example of an excellent, free web analytics tool.

Social analytics gains insights from social media interaction and social listening. Social media interactions, such as followers, views, comments, likes/unlikes, reach, shares, engagement, sentiment, conversion rates, and churn rate, are analyzed to determine the level of interaction with customers and the success of marketing programs on social platforms.

Social listening pays attention to real-time public conversations on social networks to discover trends as well as common themes, attitudes, topics, and areas of interest. Social analytics can measure social media campaign performance, assess message resonation and amplification, determine a brand's buzz level, and gauge sentiment toward a brand through words or images. It can identify key influencers, brand advocates, and opinion leaders, and it can interact in real time with consumers.

There are many free and paid social analytics tools. Examples include Hootsuite, which provides a basic, free social analytics tool, as well as a more robust paid platform for businesses, and Salesforce Marketing Cloud, which is a paid social media analytics platform. Visit
www.hootsuite.com and **www.salesforce.com/marketingcloud** to see details about these services.

An example of how big data analytics is used can be seen with **RFM analysis** (recency, frequency, and monetary value analysis). This approach can use automated software to classify customers on the basis of how recently products were purchased (recency), how often products were purchased (frequency), and the dollar value of the transactions (monetary value). Customers are scored using these attributes and then automatically ranked so that organizations can segment the market and tailor offers to different categories of consumers.

Let's think about how strategies can be created for specific segments. For customers who have purchased recently, who purchase frequently, and who spend at a high level, a company will want to create offers that will keep them coming back and keep them loyal. For customers who have purchased recently, who purchase frequently, but who spend at a low level, a company will want to keep them coming back—and increase the value of their purchases.

Non-profit organizations often use RFM analyses to target people most likely to make donations. Customer relationship management (CRM) loyalty programs use these analyses to segment customers. Loyalty programs such as those from Shoppers Drug Mart and Loblaw use loyalty cards to collect ongoing customer purchase data, and then use data-mining techniques to customize offers based on past purchases. In this way, RFM analysis can be descriptive in that it captures data and then categorizes customers based on that data; it can also be predictive by determining the factors that drive purchases and linking these factors to future behaviour, which allows offers to be made based upon past behaviour.[30]

Predictive Analytics

Predictive analytics combines data from varied sources to reveal patterns that are modelled to predict *what might happen* in the future. For example, data can be combined from CRM databases, social media analytics, marketing program metrics, customer service databases, and purchased data to reveal groupings of customers with common attitudes and purchase patterns. This information can then be used to predict future consumer behaviour and to customize offers for specific groupings. *Data mining* refers to the processing of large amounts of data using software to find insightful correlations and patterns that lead to better business decisions.

Various companies provide data management and analytics services. Salesforce.com and IBM are examples, providing top-quality services that help transform data into actionable insights. Salesforce.com uses cloud-based platforms to help companies manage and use data from email, mobile, social media, customer service, sales, and CRM interactions. IBM has business intelligence products that allow users to collaborate, analyze, model, plan, and create reports. It has predictive analytics products that use statistical algorithms and data-mining techniques to predict outcomes, and it has performance

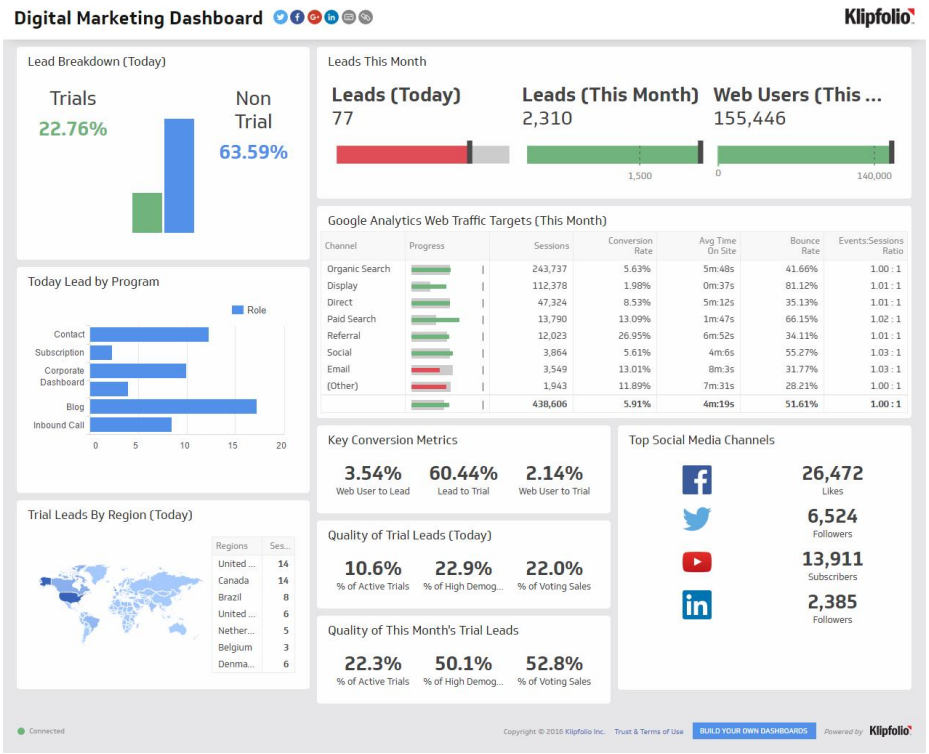
management products that create integrated systems to increase performance. Leading-edge data management and analytics companies deal with these areas to help improve an organization's performance.[31]

Critical Thinking for Marketing

1. *What are the challenges of big data?*
2. *What is an RFM analysis and how can it improve ROI?*

Metrics

As introduced in Chapter 1, *metrics* refers to numeric data that is collected and grouped to track performance. Metrics are often presented in spreadsheets and dashboards to make the data easy to understand and interpret. *Dashboards* visualize data and **key performance indicators (KPIs)**, using graphs, charts, and numbers, so numerical information tells a story that is insightful, easy to use, and understand.



Dashboards help marketers visualize metrics.

Klipfolio Inc.

Metrics data can come from a variety of sources, such as tracking data from websites, social media pages, call centre interactions, online ads, app downloads, webinars, and subscribers, as well as sales, costs, profits, and competitive and market growth data. Metrics data can measure elements such as revenue, market share, profit margins, buzz, sentiment, engagement, response rates, awareness levels, brand loyalty, retention rates, and a brand development index. Metrics data

can point to return on investment, customer lifetime value, brand advocates, and sales conversion rates. Figure 4-6 describes a few rules that marketers can use to ensure that the metrics selected are relevant, measurable, and actionable.

Figure 4–6 Rules of marketing metrics

Metrics should be easy to understand.	The metrics you are monitoring should make sense to those collecting the data and those using the data. They should also be understood across the organization.
Metrics should be available on a regular basis.	Marketers should focus on data that are available regularly and can be tracked from one time period to the next.
Metrics should be actionable and impact the business.	Seeing a metric decrease by 10 percent is important information to have and tells you that something is impacting your business. However, if you can't determine why this decrease happened or take any action to improve that metric, then the metric alone is not valuable.

Source: Linda J. Popky, "Identify the Marketing Metrics That Actually Matter," *Harvard Business Review*, July 14, 2015, https://hbr.org/2015/07/identify-the-marketing-metrics-that-actually-matter.

Figure 4–7 provides a snapshot of key metrics that marketers often use to analyze performance. Importantly, companies frequently identify their specific metrics requirements and their key performance indicators to track and evaluate business results. Metrics are selected based on company protocols, normally based on the results needed to achieve business objectives. Marketers are often advised to use no more than five to seven key metrics to make the data focused, clear, and actionable.

Figure 4–7 Key marketing metrics

Website	Ecommerce	Online Ad Campaigns	Social Media	Email Programs
Visits Unique visitors Returning visitors Page views Time on site Traffic sources Referrals Bounce rates Return on investment (ROI)	Purchases Purchase frequency Average order value Returns Churn rates Complaints Customer satisfaction Customer acquisition costs Conversion rates Customer lifetime value (CLV) Shopping cart abandonment Customer service calls Product reviews Return on investment (ROI)	Reach Impressions Engagement Dwell time Search/display overlap Conversions Cost per click (CPC) Cost per thousand views (CPM) Click-through rates (CTR) Cost per conversion (CPC) Keywords Return on investment (ROI)	Demographics Followers Views Comments Likes/unlikes Post reach Shares Sentiment Engagement Conversion rates Churn rate Visitor frequency Return on investment (ROI)	Sent and delivery rates Open rates Forward rates Click-through rates Bounce rates Subscribe rates Unsubscribe rates Complaints Email revenue Lead generation Return on investment

Website	Ecommerce	Online Ad Campaigns	Social Media	Email Programs
				(ROI)
Brand Health	**Financial**	**Customer Relationship Management (CRM)**	**Offline Ad Campaigns**	**Public Relations**
Sales Growth rates Market share Awareness levels Brand loyalty Brand trial rates Repeat purchase rates Brand development index (BDI) Category development index (CDI) Profitability trends Return on investment (ROI)	Sales/revenue Cost of goods sold Gross margins Profit margins Marketing expenditures Earnings before income and taxes (EBITA) Return on investment (ROI)	Prospects and leads Conversion rates Retention rates Churn rates Engagement Cost per acquisition (CPA) Cost per interaction Share of wallet Customer lifetime value (CLV) Return on investment (ROI)	Awareness Recall (aided and unaided) Share of voice Clarity of communication Memorable elements Reach Frequency Gross rating points (GRP) Impressions Cost per impression (CPI) Cost per thousand (CPM) Return on investment (ROI)	Interviews Press releases Journalist inquiries Events and conferences Share of voice Impressions Audience Reach Coverage Message impact Mentions Advertising value equivalency (AVE) Return on investment (ROI)

Let's look at brand health metrics as an example of how metrics are used. Two key drivers are market share and the brand development index. **Market share** is the percentage of sales volume for a product, relative to the entire sales volume of the category in which it competes. A car brand sold in Canada, for example, may have a market share of 17 percent, meaning that 17 percent of all car sales in Canada are attributed to this brand. This is a useful metric when tracked over time and compared to competitive market share levels.

Brand development index (BDI) shows how well a brand's sales are developed in a region relative to the region's population size. It is the percentage of total brand sales in a particular region relative to the percentage of the country's population in that region. This is a useful metric when trying to determine regional growth opportunities for a brand. For example, let's assume that the same car brand has 30 percent of its sales in Ontario. However, 38.5 percent of Canada's population is in Ontario.[32] The BDI is calculated by dividing 30 percent by 38.5 percent to achieve a BDI of 77.9. Regions with a BDI below 100 may have an opportunity for growth, while regions with a BDI greater than 100 could be seen as doing very well, with less opportunity for significant future growth.

1. *Why are metrics so important to an organization?*
2. *What metrics would you use to measure a Facebook campaign?*

Present the Findings

Findings should be clear and understandable from the way the data are presented. Managers are responsible for *actions*. Often it means delivering the results in clear pictures and, if possible, in a single page.

The consultant gives the answers to their questions using the marketing dashboards.

Step 5: Take Marketing Actions

LO 5 Effective marketing research doesn't stop with findings and recommendations—someone has to identify the marketing actions, put them into effect, and monitor how the decisions turn out, which is the essence of Step 5.

Make Action Recommendations

Teré Carral, the marketing manager for Tony's Pizza, meets with her team to convert the marketing research findings into specific marketing recommendations with a clear objective: target households with children ages 6 to 12 to reverse the trend among this segment and gain strength in one of the most important segments in the frozen pizza category. Her recommendation is to develop:

- An advertising campaign that will target children 6 to 12 years old.
- A monthly promotion calendar with this age group target in mind.
- A special event program reaching children 6 to 12 years old.

Implement the Action Recommendations

As her first marketing action, Teré undertakes advertising research to develop ads that appeal to children in the 6- to12-year-old age group and their families. The research shows that children like colourful ads with funny, friendly characters. She gives these research results to her advertising agency, which develops several sample ads for her review. Teré selects three that are tested on children to identify the most appealing one, which is then used in her next advertising campaign for Tony's Pizza.

Evaluate the Results

Evaluating results is a continuing way of life for effective marketing managers. There are really two aspects to this evaluation process:

- *Evaluating the decision itself*. This involves monitoring the marketplace to determine if action is necessary in the future. For Teré, is her new ad successful in appealing to 6- to 12-year-old children and their families? Are sales increasing to this target segment? If this strategy has been successful, Teré should add more follow-up ads with colourful, funny, friendly characters.
- *Evaluating the decision process used*. Was the marketing research and analysis used to develop the recommendations effective? Was it flawed? Could it be improved for similar situations in the future? Teré and her marketing team must be vigilant in looking for ways to improve the analysis and results—to learn lessons that might apply to future marketing research efforts at Tony's.

Again, systematic analysis does not guarantee success. But, as in the case of Tony's Pizza, it can improve a firm's success rate for its marketing decisions.

Critical Thinking for Marketing

1. *In the marketing research for Tony's Pizza, what is an example of (a) a finding and (b) a marketing action?*
2. *In evaluating marketing actions, what are the two dimensions on which they should be evaluated?*

The Future of Market Research

In today's world of big data, marketers have extensive information on consumers, the competition, and the market. This information can come from secondary sources or primary sources and is used to help marketers make fact-based decisions. Technology is facilitating the gathering and sifting of this information, using analytics platforms to flag issues and highlight opportunities for marketers. Technology permits marketers to constantly monitor the environment to flag opportunities or threats. Market research projects are sometimes needed to reveal further insights, and these projects increasingly use the Internet to discern attitudes and opinions.

The future of market research sees a continued growth in online market research approaches as well as the increased use of analytics platforms to help manage big data and obtain insights. Organizations are expected to increasingly invest in technology and training programs that will help marketers to focus on meaningful, actionable data. Organizations will come to realize that actionable data and data-savvy employees are among their most valuable assets and will invest in these areas.

The trajectory of digital marketing will change due to the metaverse. The fusion of many virtual worlds and the Internet results in the creation of the metaverse, a shared virtual environment. It is a theory that has received a great deal of attention lately, and many experts believe it will have a big impact on a variety of different industries, including digital marketing.

One potential consequence of the metaverse on digital marketing is the capacity to build immersive, interactive experiences for users. By developing virtual worlds that enable users to interact with products and services in a more dynamic and realistic way, marketers may be able to engage consumers more meaningfully. Overall, the metaverse has the power to completely change the way that digital marketing is carried out by giving advertisers additional venues and tools to interact with customers and collect useful data. However, because it is still a novel idea, it is unclear exactly how it will affect the sector over time.[33]

Ethically and legally, marketers and market research practitioners will need to keep consumers' privacy top of mind. Privacy laws in Canada require businesses to comply with

the *Personal Information Protection and Electronic Documents Act* (PIPEDA) as well as Canada's anti-spam legislation (CASL). You can read more about these areas in **Chapter 2** where marketing regulations are discussed in detail. Marketers are well advised to check the latest privacy legislation and anti-spam laws in Canada at the Canadian Marketing Association's (CMA) website at **www.the-cma.org**, the CASL website at **http://fightspam.gc.ca**, and the Office of the Privacy Commissioner of Canada at **www.priv.gc.ca**. Experts in marketing law should be consulted to ensure that market research practices are legal.

Market researchers are also well advised to visit the website of the Marketing Research and Intelligence Association (MRIA) of Canada at **http://mria-arim.ca**, a not-for-profit association that represents all aspects of the market intelligence and survey research industries, including social research, competitive intelligence, data mining, insight, and knowledge management. It provides education for market researchers, publishes a market research magazine, and provides a wealth of information to its members.

Sales Forecasting Techniques

LO 6 Forecasting or estimating potential sales is often a key goal in a marketing research study. Good sales forecasts are important for a firm as it schedules production. The term **sales forecast** refers to the total number of a product that a firm expects to sell during a specified time period under specified environmental conditions and its own marketing efforts. For example, Canada Goose cut their annual sales forecast in early 2023 due to reduced store traffic as a result of a spike in COVID-19 infections in China, and reduced spending power in North America in view of rising inflation.[34]

Three main sales forecasting techniques are often used: (1) judgments of the decision maker, (2) surveys of knowledgeable groups, and (3) statistical methods.

Judgments of the Decision-Maker

Probably 99 percent of all sales forecasts are simply the judgment of the person who must act on the results of the forecast—the individual decision-maker. *A direct forecast* involves estimating the value to be forecast without any intervening steps. Examples appear daily: How many litres of milk should I buy? How much money should I withdraw at the ATM?



How might a marketing manager for the New Balance Zante running shoe create a sales forecast through 2025? Read the text to find out.

©McGraw-Hill Education

A *lost-horse forecast* involves starting with the last known value of the item being forecast, listing the factors that could affect the forecast, assessing whether they have a positive or negative impact, and making the final forecast. The technique gets its name from how you'd find a lost horse: Go to where it was last seen, put yourself in its shoes, consider those factors that could affect where you might go (to the pond if you're thirsty, the hayfield if you're hungry, and so on), and go there.

For example, New Balance recently introduced its Fresh Foam Zante, a shoe with an optimal balance between cushioning and stability. It is designed to be a lighter, better fitting, and functionally enhanced shoe. Suppose a New Balance marketing manager in early 2023 needs to make a sales forecast through 2025. She would take the known value of 2022 sales and list positive factors (Road Shoe of the Year Award, positive wear-tester comments) and the negative factors (increased competition, slow economic growth) to arrive at the final sales forecast.

Surveys of Knowledgeable Groups

If you wonder what your firm's sales will be next year, ask people who are likely to know something about future sales. Two common groups that are surveyed to develop sales forecasts are prospective buyers and the firm's salesforce.

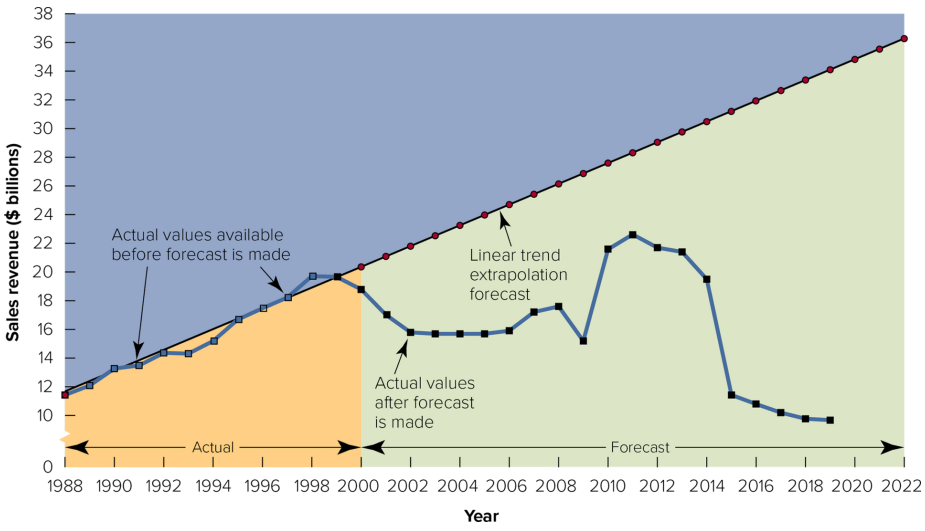
A *survey of buyers' intentions forecast* asks prospective customers if they are likely to buy the product during some future time period. For industrial products with few prospective buyers, this can be effective. There are only a few hundred customers in the entire world for Boeing's large airplanes, so Boeing surveys them to develop its sales forecasts and production schedules.

A *salesforce survey forecast* involves asking the firm's salespeople to estimate sales during a forthcoming period. Because these people are in contact with customers and are likely to know what customers like and dislike, there is logic to this approach. However, salespeople can be unreliable forecasters—painting too rosy a picture if they are enthusiastic about a new product or too grim a forecast if their sales quota and future compensation are based on it.

Statistical Methods

The best-known statistical method of forecasting is *trend extrapolation*, which involves extending a pattern observed in past data into the future. When the pattern is described with a straight line, it is *linear trend extrapolation*. Suppose that in early 2000 you were a sales forecaster for the Xerox Corporation and had actual sales data running from 1988 to 1999 (see **Figure 4-8**). Using linear trend extrapolation, you draw a line to fit the past sales data and project it into the future to give the forecast values shown for 2000 through 2020.

Figure 4–8 Linear trend extrapolation of sales revenues at Xerox, made at the start of 2000



If in 2018 you want to compare your forecasts with actual results, you are in for a surprise, one that illustrates the strength and weakness of trend extrapolation. Trend extrapolation assumes that the underlying relationships in the past will continue into the future, which is the basis of the method's key strength: simplicity. If this assumption proves correct, you have an accurate forecast. However, if this proves wrong, the forecast is likely to be wrong. In this case, your forecasts from 2000 through 2017 were too high, as shown in **Figure 4-8**, largely because of fierce competition in the photocopying industry.

Critical Thinking for Marketing

1. *What are the three kinds of sales forecasting techniques?*

2. *How do you make a lost-horse forecast?*

Summary...just the facts

LO 1 • Marketing research is done because it reduces risk by providing the vital information to help marketing managers understand the wants and needs of consumers and translate them into marketing actions.

LO 2 • Marketing researchers engage in a five-step decision-making process to collect information that will improve marketing decisions. The first step is to define the problem, the second step is to develop the research plan, the third step is to collect the relevant information, the fourth step is to develop findings from the marketing research data collected, and the fifth step is to take marketing actions.

LO 3 • Secondary data have already been recorded prior to the start of the project and primary data is collected specifically for the project.

LO 4 • Marketing researchers observe people in various ways; such as electronically using Nielsen people meters to measure TV viewing behaviour or personally using mystery shoppers or ethnographic techniques, ask questions using questionnaires, utilize panels to see if behaviours change, and experiments to measure the effect of marketing variables.

LO 5 • Market research, metrics, and analytics are used by marketers to help gather data and obtain insights. Metrics use numeric data to track performance. Analytics applies smart thinking and technology to metrics data to gain actionable insights.

LO 6 • Sales forecasts can be developed by using the judgments of the decision-maker, surveys of knowledgeable groups, or statistical methods which extend a pattern observed in past data into the future.

Key Terms and Concepts...a refresher

brand development index (BDI)

constraints

data

data mining

descriptive analytics

experiment

focus groups

in-depth interviews

information technology

key performance indicators (KPIs)

market share

marketing research

measures of success

non-probability sampling

objectives

observational data

omnibus survey

panel

predictive analytics

predictive modelling

primary data

probability sampling

questionnaire data

RFM analysis

sales forecast

sampling

secondary data

social analytics

social listening

test market

web analytics

Hands-on... APPLY YOUR KNOWLEDGE

Market Research Assignment The course you are completing may require you to submit a report on the marketing of a product. Navigate your way to the online research sources identified in the Marketing Matters box, **Online Databases and Internet Resources Useful to Marketers**, to review and collect secondary data on your product, the industry it competes in, and its target market. Summarize and source your findings with bullet points for future reference.

Chapter Vignette… ACTIVITY

This chapter's opening vignette examines how Canadian Tire Corporation is leveraging their Triangle Rewards loyalty program to increase customer loyalty and sales. Applying the marketing research process, recommend a potential new product that Canadian Tire should expand into. What are the key sources of secondary data that they should consider? Review the company's website at
canadiantire.ca.

Research data helps organizations know what they are good at, informing their business decisions. Similarly, research data can help you to know what you are good at, informing your career decisions. All of us have different strengths or what we are naturally good at.

How do we determine what we are good at?

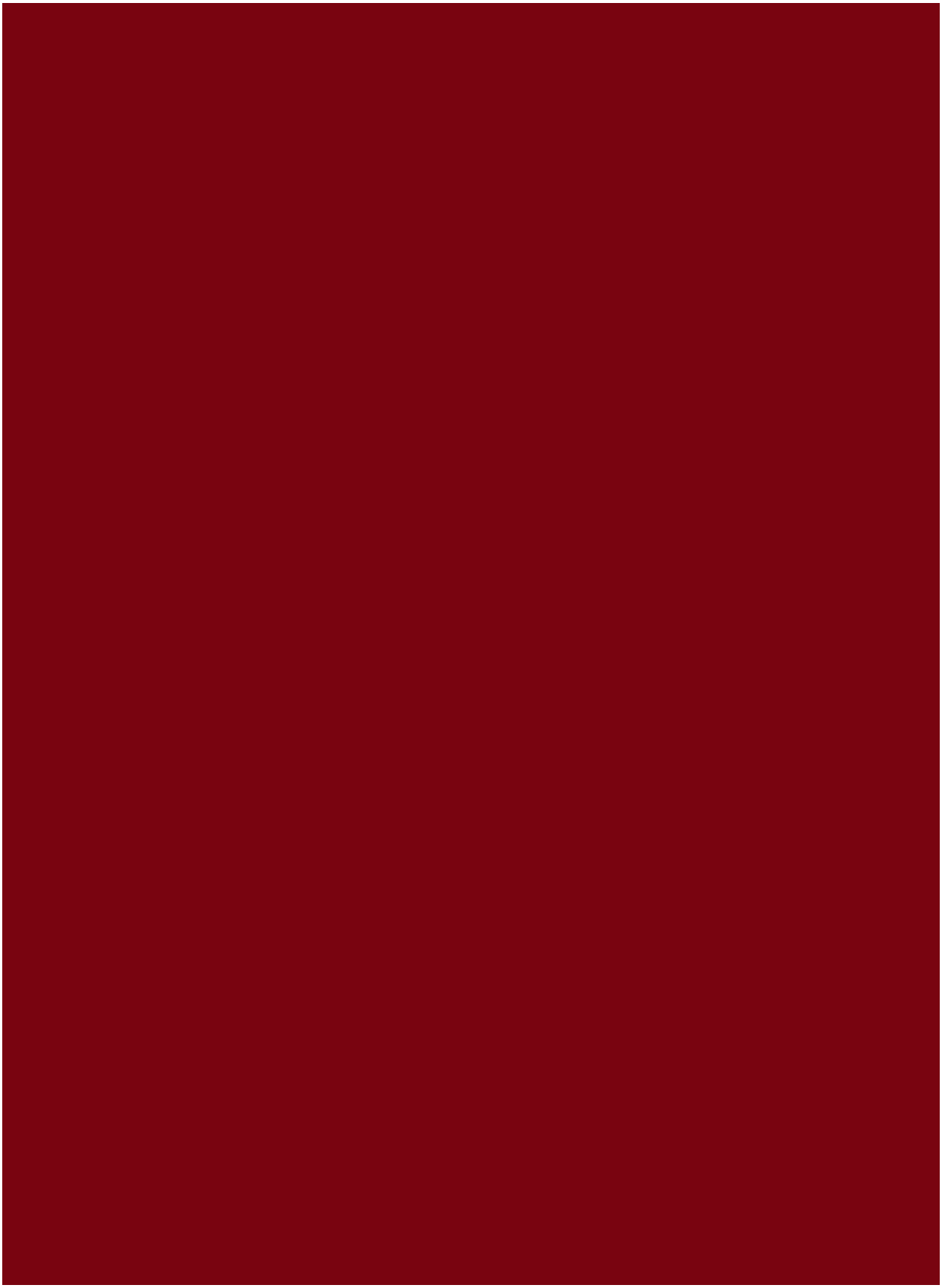
1. An assessment or questionnaire can help you to identify your strengths and natural abilities. Consult your career centre to find out what assessments are available for you to take.
2. A market researcher who reviews past data is looking for patterns in the data. You can review your past accomplishments to identify patterns to reveal your unique strengths and qualities.

Complete the activity to identify Five Strengths or Qualities and add this information to Circle 2 of your **ikigai diagram**, What You Are Good At.

Activity:

1. Review your own past data by recalling a situation when you accomplished something that you were proud of. It could have happened at school, work, while volunteering, or in the community. It was a time when your energy was high, you felt engaged, inspired, and you were in the "flow." It was something you loved doing. Write out a description of that situation. Analyze the situation by breaking down the steps you used to accomplish this success. How did you tackle the project? What unique skills or strengths did you use? To help you identify patterns, look at another past accomplishment and analyze the skills you used to accomplish that task.
2. Conduct primary research by asking your friends and family to share their feedback on what they perceive your strengths or best qualities to be.
3. Based on the answers to questions 1 and 2, list the top five strengths or qualities that you have identified.

Add these five strengths to your **ikigai diagram** in Circle 2, What You Are Good At.



Chapter 5
Marketing to Organizations



(left) Gorodenkoff/Shutterstock; (right) Durrell Communications

LEARNING OBJECTIVES

- **LO 1** Identify the distinguishing characteristics of industrial, reseller, government, and non-profit markets and how they are measured
- **LO 2** Describe the importance of content marketing to business-to-business (B2B) marketers
- **LO 3** Explain which key characteristics of organizational buying make the process different from consumer buying
- **LO 4** Describe how buying centres and buying situations influence organizational purchasing
- **LO 5** Outline the process of business segmentation
- **LO 6** Explain the growing importance of and the approaches to online buying for industrial, reseller, and government markets

CHAPTER OUTLINE

- Communication is key
- The nature and size of organizational markets
- Measuring industrial, reseller, government, and non-profit markets
- Characteristics of organizational buying
- The organizational buying process and the buying centre
- Business market segmentation
- Online buying in organizational markets

CHAPTER FEATURES

Beneficial Corporations

The impact of Certified B Corporations and consumer decisions.

Marketing Mishaps in the Global Economy

Explore the perception of different cultures on marketing plans.

Business partners that make business better are assets to organizations. Not only can good business partners enhance performance, they can help companies to react to changing market conditions. Strong marketing toward these organizations also helps potential business partners market appropriately to their prospective clients, and address their needs.

Glossophobia, the fear of public speaking, is a common fear among Canadians. Being anxious before having to share your thoughts in front of others seems only natural whether you are a student delivering a class presentation or an executive sharing your expertise on the evening news. Fortunately, organizations like Durrell Communications can prepare current and future business leaders for their time in the spotlight.

Chief Executive Officer Melissa Durrell is a former TV journalist who works one-on-one or in group sessions to improve peoples' communication skills. The organization manages media relations, corporate communications, public relations, and content creation for a number of clients.

"We understand exactly what the media is looking for," says Melissa. "We develop the right strategy for your organization before implementing the right actions to engage the media for local, national, and global coverage."

Durrell Communications brings a great deal of value to companies looking to raise awareness of their organizations and prepares their key spokespeople with the tools necessary to represent their companies well. Durrell Communications brings a strong balance of strategy and execution to their day-to-day interactions with their clients and the communities they serve.

Since the organization brings such a strategic advantage to its clients, Durrell Communications ensures its clients receive its services exclusively within the client's own sector. Although this limits the number of companies the organization can serve in a particular industry, it makes the marketing process to prospective clients easier. "We want our clients to have a unique advantage while working with us," says Melissa.

Marketing to businesses has similarities to marketing to consumers; however, there are some important differences. "In a business, multiple people can be involved in the decision-making process," says Melissa. Deciders must consider the opinions of the people in the organization who will use the product along with the people in the organization with specialized knowledge.

Businesses also have organizational buying objectives and buying criteria. Understanding those needs is essential for marketing to businesses.

Furthermore, business-to-business marketing doesn't end after the initial sale. Many companies like Durrell Communications will have the opportunity to renew contracts, or modify contracts, to enhance the services they offer.[1]

***reality* CHECK**

As you read Chapter 5, refer back to the Durrell Communications vignette to answer the following questions:

- How is marketing to businesses different than marketing to individuals?
- How would the North American Industry Classification System (NAICS) benefit Durrell Communications in ensuring there are no conflicts among its clientele?

The Nature and Size of Organizational Markets

LO 1 Effective marketers have a clear understanding of buying behaviour. Effective business marketers also have an understanding of organizational markets. Also referred to as business-to-business (B2B) marketing, **business marketing** is the marketing of products to companies, governments, or non-profit organizations for use in the creation of goods and services that they then produce and market to others.[2] Many firms engage in business marketing, so it is important to understand the buying behaviour of organizational buyers, as it differs from consumer buying behaviour. Marketing plans are important as road maps for firms selling industrial products, just as they are for companies that sell consumer products. **Chapter 15** describes marketing plans in greater detail.

Organizational buyers are those manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale. For example, these organizations buy computers and smartphones for their own use. Manufacturers buy raw materials and parts that they reprocess into the finished goods they sell, and wholesalers and retailers resell the goods they buy without reprocessing them. Organizational buyers include all buyers in a nation except ultimate consumers.

These organizational buyers purchase and lease large volumes of equipment, raw materials, manufactured parts, supplies, and business services. They often buy raw materials and parts, process them, and sell them. This upgraded product may pass through several different organizations (as it is bought and resold by different levels of manufacturers, distributors, wholesalers, and retailers) before it is purchased by the final organizational buyer or final consumer. So the total purchases of organizational buyers in a year are far greater than those of ultimate consumers.

MARKETING TIP

"In a business, multiple people can be involved in the decision-making process."

- Melissa Durrell, chief executive officer, Durrell Communications

With the various industries that a business can sell to, including construction, manufacturing, wholesale trade, retail trade, and public administration, the Government of Canada offer resources to navigate business and industry. To better understand the different needs, and approaches to serve these businesses, organizational buyers can be divided into four different markets: industrial, reseller, government, and non-profit markets.

Industrial Markets

Industry Canada notes there are over 2.4 million business locations in Canada. These *industrial firms* in some way reprocess a product or service they buy before selling it again to the next buyer. For example, there are many suppliers that sell to car companies. Although the consumer purchases one consumer product (i.e., the car), the automobile company purchases parts from many suppliers just to make that one vehicle. There are suppliers for such parts as steering wheels, brakes, doors, tires, seats, and so on. The business market involves more purchases and dollars than the consumer market.

The importance of services in Canada today is emphasized by the composition of the industrial markets. Primary industries (e.g., agriculture, fishing, mining, and forestry), utilities, manufacturers, and construction firms sell physical products. The service market sells diverse services such as legal advice, auto repair, and dry cleaning, and includes organizations such as finance, insurance, and real estate businesses; transportation, communication, and public utility firms; and non-profit associations. Furthermore, there are over 1.1 million small businesses in Canada defined as having fewer than 100 employees.[3]



Car manufacturers are part of the industrial market.

©Bill Pugliano/Stringer/Getty Images

Reseller Markets

Wholesalers and retailers that buy physical products and sell them again without any reprocessing are *resellers*. In Canada, there are over 200,000 retailers and over 65,000 wholesalers. Some of the largest Canadian-owned retailers in Canada include Loblaw/Shoppers Drug Mart, Alimentation Couche-Tard, Empire Company Limited (Sobeys), Metro, and Canadian Tire. This chapter focuses on how resellers act as organizational buyers and make decisions on which products they choose to carry.

Government Markets

Government units are the federal, provincial, regional, and municipal agencies that buy goods and services for the constituents that they serve. With a spending budget of over $280 billion in 2013, the federal government is a major customer, possibly the largest in Canada. To hold itself accountable, it created an online database to explain where taxpayer dollars are going.[4]

In addition to specialized purchases for the military, government agencies also buy almost everything that regular consumers buy, from toilet paper to chewing gum to cars for federal prisons, hospitals, and schools. At the federal government level, the bulk of the purchasing is done by Public Works and Procurement Canada. Provincial and municipal governments typically have government departments that do the buying for them.

As well, hundreds of government departments, agencies, and Crown corporations (owned by the government on behalf of the people of Canada) such as CBC, VIA Rail, and the Royal Canadian Mint purchase supplies and services they need to operate. An example of a company that has been selected during the government procurement process is Bombardier. Over the years, it has produced regional aircraft, business jets, mass transportation equipment such as subways and passenger rail vehicles, and recreational equipment. Many of its sales are to governments.

Seaspan is an association of Canadian companies that are primarily involved in shipbuilding services and coastal marine transportation in Western North America. In May 2019, Prime Minister Justin Trudeau announced that up to 16 new Coast Guard ships would be built at Seaspan's Vancouver shipyards. The new ships will be used for a variety of missions, including offshore search and rescue, and are part of Canada's National Shipbuilding Strategy.



Seaspan's Vancouver shipyards are part of Canada's National Shipbuilding Strategy.

©Darryl Dyck/The Canadian Press

Along with Seaspan, Canada's National Shipbuilding Strategy involves the Irving Shipyards in Halifax. Seaspan and Irving were selected in 2011 to build new vessels for the Coast Guard and Navy. Although Seaspan currently employs 1,200 employees at its Vancouver shipyards, the Canadian government believed additional options were needed. This is an example of how important supply chain management is in an organization and how demands on a supply chain may require purchasers to look for alternatives. It also highlights that the ability to conform to an organization's buying criteria and meeting required delivery schedules are crucial in marketing to organizations.[5]

Because of the nature and size of business markets, it is essential for organizations to be diligent about how their organizations are protected. Information held by these organizations can be targeted by criminals. According to Statistics Canada, Canadian businesses reported spending over $10 billion on cyber security in 2021.

Non-profit Organizations

Organizations that do not have financial profit as a goal and that seek to provide goods and services for the good of society, are called *non-profit organizations*. They are also known as charitable organizations, and some 83,000 of them are registered with the Canada Revenue Agency.[6] Tax advantages make it beneficial for this type of organization to register with the federal government.

You are probably familiar with many non-profit organizations. Were you a member of the Boy Scouts or Girl Guides? Have you participated in a Canadian Cancer Society run or marathon? Have you been asked for a donation to the United Way? Hospitals, arts organizations, cultural groups, and some research institutes can be classified as non-profit organizations. In your school, you may have a foundation office that raises money for student awards and aid; this too is a non-profit organization. In the past, marketing in these organizations has been limited, but increasingly they are adopting the same types of marketing techniques that other business firms employ, and with good success. As purchasers, this sector of business buys a wide array of goods and services to conduct their operations.

Helping Feed the World

Canada is in the top 10 of exporters of agricultural products.

1. European Union	**6.** Indonesia
2. United States	**7.** Thailand
3. Brazil	**8.** Australia
4. China	**9.** India
5. Canada	**10.** Argentina

Source: "World Trade Statistical Review: 2018," World Trade Organization. Retrieved from www.wto.org/english/res_e/statis_e/wts2018_e/wts2018_e.pdf.

Measuring Industrial, Reseller, Government, and Non-profit Markets

The measurement of industrial, reseller, government, and non-profit markets is an important first step for a firm interested in determining the size of one, two, or all of these markets in Canada and around the world. This task has been made easier with the **North American Industry Classification System (NAICS)**.[7] NAICS provides common industry definitions for Canada, Mexico, and the United States, which facilitate the measurement of economic activity in the three member countries of the Canada-United States-Mexico Agreement (CUSMA). NAICS replaced the Standard Industrial Classification (SIC) system, a version of which had been in place for more than 50 years in the three CUSMA member countries. The SIC neither permitted comparability across countries nor accurately measured new or emerging industries. Furthermore, NAICS is consistent with the *International Standard Industrial Classification of All Economic Activities*, published by the United Nations, to help measure global economic activity.

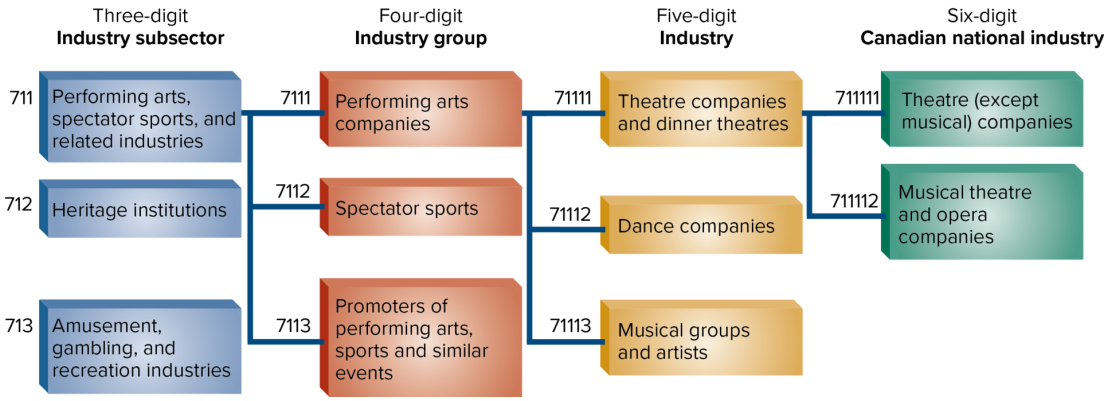
NAICS groups economic activity to permit studies of market share, demand for goods and services, competition from imports in domestic markets, among others. NAICS designates industries using a six-digit numerical coding system. The first two digits designate a sector of the economy, the third digit designates a subsector, and the fourth digit represents an industry group. The fifth digit indicates a specific industry and is the most detailed level at which comparable data is available for Canada, Mexico, and the United States. The sixth digit categorizes individual country-level national industries. **Figure 5–1** presents an abbreviated breakdown within the Arts, Entertainment, and Recreation sector (code 71) to illustrate the classification scheme.



The North American Industry Classification System (NAICS) provides common industry definitions for Canada, Mexico, and the United States.

U.S. Department of Commerce

Figure 5–1 NAICS breakdown for the Arts, Entertainment, and Recreation sector: NAICS code 71 (abbreviated)



Source: Statistics Canada

Content Marketing

LO 2 Because of the lengthy process for making decisions, as well as the extensive research required by businesses before decisions are made, companies like Durrell Communications, discussed in the opening vignette, help clients create and adopt effective content marketing strategies. Content marketing keeps potential customers engaged by ensuring that relevant and valuable content is available at various touch points.

Content marketing began when organizations were able to print media and share it among masses. It became more prevalent as a marketing strategy in the 1990s, as technology enabled organizations to share information through websites and email. With social media, and other means to capture the attention of consumers, the importance of content marketing continues to increase. In fact, nine out of ten business to business (B2B) marketers use content marketing tactics; that is, they will choose various ways to reach their target audiences, including social media, enewsletters, videos, and research reports.

Web communities have emerged as business enablers for B2B marketing. By creating interactive and collaborative environments, social media have become the go-to resource for B2B customers, not only to share feedback about companies they are doing business with but also to monitor discussions about products and services they are considering. The control of a B2B company's brand is rapidly changing from corporate marketing departments to the customer-to-customer conversations taking place on social media networks.

Not surprisingly, customers recognize their growing influence and realize the impact of their praise or, more importantly, their criticism on a company. Businesses of all sizes are learning the importance of listening, rather than preaching, in order to acquire and retain their customers. Customers using social media are not interested in vague and impersonalized advertising and sales pitches.

This new environment creates big challenges but also incredible opportunities for B2B sales. Sales professionals can no longer completely rely on traditional email and cold-calling campaigns. Companies like Contently offer companies content marketing solutions to help keep business customers engaged.

Working with Contently allows business sales professionals to gain timely and relevant insights about their customers as well as engage at a very deep and personal level—two huge boons to the B2B sales process. Thanks to social media monitoring and conversation, individuals within an organization have the ability to champion the identity of their corporate brand.

Social media is just one tactic in content marketing. In 2013, Xerox was recognized for its content marketing thought leadership as it expanded into the health care industry. The HealthBiz Decoded website was launched by Xerox and filled with articles from Xerox subject matter experts and freelance journalists. The end result is a digital magazine that hosts videos and infographics to enhance the content. It is a subtle but effective strategy for Xerox to show it is not just a copier company; it is a company that is an effective service provider. Recently, Xerox has worked with the technology solutions company Contently to help rebrand itself.[8]

B2B marketers can prompt audiences to act by implementing an effective content marketing strategy, so companies may now spend approximately a quarter of their marketing budgets on getting content marketing right for each audience. Since technology and talent are now readily available to most organizations, there is tremendous value to a company to get its message right and keep it relevant.

Not only has technology allowed businesses to reach other businesses through a variety of channels, it has provided the opportunity for regular feedback. By tracking usage and views, B2B marketers can adjust content accordingly to make information for clients more and more relevant.[9]

Characteristics of Organizational Buying

LO 3 Organizations are different from individuals in the way they purchase goods and services, so buying for an organization is different from buying for yourself and your family. In both cases, the objective in making the purchase is to solve the buyer's problem—to satisfy a need or want. Unique objectives and policies of an organization put special constraints on how it makes buying decisions. Understanding the characteristics of organizational buying is essential in designing effective marketing programs to reach these buyers. Key characteristics of organizational buying are listed in Figure 5–2 and discussed next.[10]

Figure 5–2 Key characteristics of organizational buying behaviour

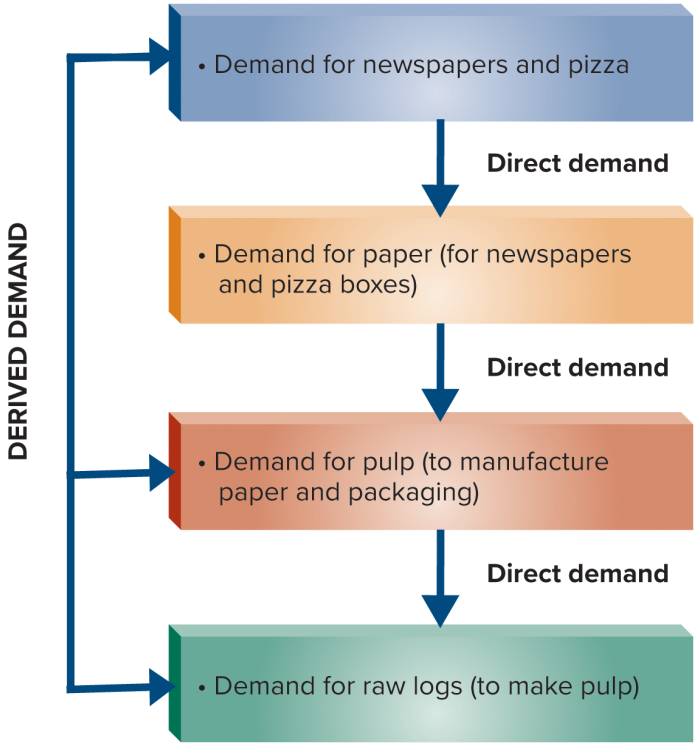
Characteristics	Dimensions
Market characteristics	• Demand for industrial products is derived. • The number of business customers is typically small, and their purchase orders are typically large.
Product or service characteristics	• Products or services are technical in nature and purchased on the basis of specifications. • Many goods purchased are raw or semi-finished. • Heavy emphasis is placed on delivery time, technical assistance, and postsale service.
Buying process characteristics	• Technically qualified and professional buyers follow established purchasing policies and procedures. • Buying objectives and criteria are typically spelled out, as are procedures for evaluating sellers and their products or services. • There are multiple buying influences, and multiple parties participate in purchase decisions. • There are reciprocal arrangements, and negotiation between buyers and sellers is commonplace. • Online buying over the Internet is widespread.
Marketing mix characteristics	• Personal selling to organizational buyers is used extensively, and distribution is very important. • Advertising and other forms of promotion are technical in nature. • Price is often negotiated, evaluated as part of broader seller and product or service qualities, and frequently affected by quantity discounts.

Derived Demand

Consumer demand for products and services is affected by their price and availability, and by consumers' personal tastes and discretionary income. By comparison, industrial demand is derived. **Derived demand** means that the demand for industrial products and services is driven by, or derived from, demand for consumer products and services, as demonstrated in Figure 5–3. For example, the demand for Weyerhaeuser's pulp and paper products is based on consumer demand for products like newspapers, Domino's "keep warm" pizza boxes, FedEx packages, and disposable diapers.

Derived demand is often based on expectations of future consumer demand. For instance, Whirlpool purchases parts for its washers and dryers in anticipation of consumer demand, which is affected by the replacement cycle for these products and by consumer income. Another example of derived demand is the car industry. Demand for auto parts is driven by new car sales. Magna International Inc., a Canadian company based in Aurora, Ontario, is Canada's largest automobile parts manufacturer and one of the country's largest companies.

Figure 5–3 Direct versus derived demand



Inelastic Demand

Inelastic demand means that regardless of whether there is an increase or decrease of the price of a B2B product, customers will buy the same quantity. For example, if the price of brake pads goes up, a car manufacturer will still order the same quantity. A single business product, such as a brake pad, is only one of many parts that go into making the final product, and is only a minor portion of the price of the car.

Fluctuating Demand

Small changes in demand for consumer products can result in large increases or decreases in demand for the facilities and equipment needed to make the consumer product. This is referred to as **fluctuating demand**. A product's life expectancy also has a bearing on this type of demand. For example, business products such as large machinery are purchased infrequently. Demand for such products can be high one year when they are wearing out but low in the following year if the old machinery is operating satisfactorily.



The number of potential buyers of magnetic resonance imaging (MRI) scanners is limited.

©alvarez/Getty Images

Size of the Order or Purchase

The size of the purchase involved in organizational buying is typically much larger than that in consumer buying. The dollar value of a single purchase made by an organization often runs into the millions of dollars. For example, cities with transit systems need to keep their buses up-to-date and functioning for their patrons. In 2019, the British Columbia government provided $79 million in joint funding to purchase 118 new buses in Victoria. In 2022, the Government of Canada planned to invest up to $750 million to support municipalities facing transit operating shortfalls. And, in 2022, the Toronto Transit Commission (TTC) set aside $688 million to purchase 600 new buses including 300 hybrid buses and 300 all-electric buses from New Flyer Industries.[11]



New Flyer Industries markets to organizational buyers such as the Toronto Transit Commission (TTC).

© 2023 New Flyer

With so much money at stake, most organizations place constraints on their buyers in the form of purchasing policies or procedures. Buyers must often get competitive bids from at least three prospective suppliers when the order is above a specific amount, such as $5,000. When the order is above an even higher amount, such as $50,000, it may require the review and approval of a vice-president or even the president of the company. Knowing how the size of the order affects buying practices is important in determining who participates in the purchase decision and makes the final decision, as well as the length of time required to arrive at a purchase agreement.

Number of Potential Buyers

Firms selling consumer products or services often try to reach thousands or millions of individuals or households. For example, your local supermarket or bank probably serves thousands of people, and Kellogg tries to reach millions of Canadian households with its breakfast cereals and probably succeeds in selling to a third or half of these in any given year. In contrast, firms selling to organizations are often restricted to far fewer buyers. Bombardier Aerospace can sell its Challenger business jets to a few thousand organizations throughout the world, and B.F. Goodrich sells its original equipment tires to fewer than ten car manufacturers.

Organizational Buying Objectives

Organizations buy products and services for one main reason: to help them achieve their objectives. For businesses, the buying objective is usually to increase profits through reducing costs or increasing sales. 7-Eleven buys automated inventory systems to increase the number of products that can be sold through its convenience stores and to keep those products fresh. Nissan Motor Company switched its advertising agency because it expects the new agency to devise a more effective ad campaign to help it sell more cars and increase sales. To improve executive decision making, many firms buy advanced computer systems to process data.

The objectives of non-profit firms and government agencies are usually to meet the needs of the groups they serve. Thus, a hospital buys a high-technology diagnostic device to serve its patients better. Understanding buying objectives is a necessary first step in marketing to organizations.

“Understanding buying objectives is a necessary first step in marketing to organizations.”

Organizational Buying Criteria

Consumers use criteria when purchasing a product. Businesses also use criteria in their purchasing: they specify *organizational buying criteria*, which are detailed specifications for the products and services they want to buy and the characteristics of the suppliers that will supply them. When suppliers are selected, their products and their firm’s characteristics are evaluated using these criteria. The following lists some of the most commonly used criteria:

- Price
- Ability to meet the quality specifications required
- Ability to meet the required delivery schedules
- Technical capability
- Warranties and claims policies
- Past performance on previous contracts
- Production facilities and capacity

Many organizational buyers today are transforming their buying criteria into specific requirements that are communicated to suppliers. This practice, called *reverse marketing*, means that organizational buyers are attempting to work with suppliers to make their products, services, and capabilities fit the buyer’s needs. Working closely and collaboratively like this with suppliers also helps build buyer–seller relationships and leads to supply partnerships. Companies such as Tim Hortons will work with external partners to build stores and host events.

Fear in Organizational Buying Behaviour

It's important at this point to examine the role of emotion in the organizational buying process. Emotions drive human behaviour and are the engines that propel people forward to reach their goals.

According to one author, B2B buying decisions are usually driven by one emotion—fear. Specifically, B2B buying is all about minimizing fear by eliminating risk. There are two distinct types of risk. There is organizational risk, typically formalized and dealt with in the buying process, and then there is personal risk, which is unstated but remains a huge influencing factor in organizational buying.

For example, a buyer who chooses to deal with the same trusted supplier for many years is minimizing fear by eliminating organizational risk. Personal risk is explained by the buyer who chooses not to work with a new supplier even if that potential supplier's products offer better value. The buyer may fear that the latter may not produce a quality product, for example, and the buyer fears being reprimanded and thus may avert risk by choosing not to work with new suppliers.

Humans do not always make rational decisions. In fact, some decisions are made irrationally. People use shortcuts, gut feel, emotions, beliefs, instincts, and habits to reach decisions. Consumer research found this out long ago, but for some reason, many people refuse to accept that the same mechanisms are at play in the business world.[12]



Fear may cause organizational buyers to make irrational decisions they will regret.

©Tetra Images/Alamy Stock Photo

Buyer–Seller Relationships and Supply Partnerships

Another distinction between organizational and consumer buying behaviour lies in the nature of the relationship between organizational buyers and suppliers. Specifically, organizational buying is more likely to involve complex and lengthy negotiations concerning delivery schedules, price, technical specifications, warranties, and claims policies. These negotiations can last for more than a year.

Reciprocal arrangements also exist in organizational buying. Reciprocity is an industrial buying practice in which two organizations agree to purchase each other's products and services. Governments frown on reciprocal buying because it restricts the normal operation of the free market. However, the practice exists and can limit the flexibility of organizational buyers in choosing alternative suppliers. The Making Responsible Decisions box, **Beneficial Corporations** has more about government buying practices with respect to environmental standards.[13]

Making Responsible Decisions

Beneficial Corporations

More and more Canadians are seeing the importance of addressing climate change and challenging companies to provide more of a social impact. Over a decade ago, there was a movement of people to use the business as a force of good. B Corps (the B stands for beneficial) are companies that act in ways to benefit society. The companies aim to be profitable, as well as to do social and environmental good. B Corps impact their stakeholders and our planet.



Gado Reportage / Alamy Stock Photo

Over 2,200 companies in more than 50 countries are now certified as B Corps in more than 50 countries. Patagonia, Beau's Brewery, and Ben & Jerry's might be recognizable names. In order to achieve this distinction, companies complete a rigorous, comprehensive assessment to see how they are managed. They are charged with meeting the highest standards of social and environmental performance. These companies need to be transparent and accountable while balancing their profits with purpose.

This introspection into the way the organization is governed, how it treats its workers, customers, and other stakeholders, helps B Corps make good business choices and become highly successful. The distinction also provides advantages in brand differentiation and employee recruitment.

These beneficial companies are good for profits, people, and the planet.

Questions

1. As a small business in Canada, what do you believe would be the pros and cons of becoming a Certified B Corporation?
2. Why do you think more companies don't pursue Certified B Corporation status?

Because of the need to ensure that both buyer and seller perspectives are understood and addressed, buyer–seller relationships develop into supply partnerships in some cases. These partnerships are long-term relationships built on transparency and understanding.[14] A **supply partnership** exists when a buyer and its supplier adopt mutually beneficial objectives, policies, and procedures for the purpose of lowering the cost or increasing the value of products and services

delivered to the ultimate consumer. For example, Sarmazian Brothers, an Ontario flooring retailer, partners with companies that are market leaders in flooring to enhance its offering.

Critical Thinking for Marketing

1. *Consider a recent purchase you made, and use it to describe derived demand.*
2. *For that same purchase, describe a potential supply partnership in that industry.*

The Organizational Buying Process and the Buying Centre

LO 4 Organizational buyers, like consumers, engage in a decision process when selecting products and services. **Organizational buying behaviour** is the decision-making process that organizations use (1) to establish the need for products and services, and (2) to identify, evaluate, and choose among alternative brands and suppliers. There are important similarities and differences between the two decision-making processes. To better understand the nature of organizational buying behaviour, we first compare it with consumer buying behaviour. We then describe a unique feature of organizational buying: the buying centre.



Organizational buyers make purchases on a larger scale than consumers.

Picturenet/Blend Images LLC

Stages in the Organizational Buying Process

As shown in **Figure 5–4**, the five stages that a student might use in buying a smartphone also apply to organizational purchases. However, comparing the two right-hand columns in **Figure 5–4** reveals some key differences. For example, when a smartphone manufacturer buys digital cameras for its smartphones, more individuals are involved, supplier capability becomes more important, and the post-purchase evaluation behaviour is more formal. The

buying decision process of an organization purchasing cameras for smartphones is typical of the steps made by organizational buyers.

Figure 5–4 Comparing the stages in a consumer and organizational purchase decision process reveals subtle differences

Stage in the Buying Decision Process	Consumer Purchase: Smartphone for a Student	Organizational Purchase: Camera for a Smartphone
Problem recognition	Student doesn't like the features of the cell phone now owned as compared to the features of a smartphone and desires to purchase one.	Marketing research and sales departments observe that competitors are improving the quality of cameras on their new models, which will be purchased from an outside supplier.
Information search	Student uses past experience and that of friends, ads, the Internet, and magazines to collect information and uncover alternatives.	Design and production engineers draft specifications for the camera. The purchasing department identifies suppliers of cameras.
Evaluation of alternatives	Alternative smartphones are evaluated on the basis of important attributes desired in a smartphone, and several stores are visited.	Purchasing and engineering personnel visit with suppliers and assess facilities, capacity, quality control, and financial status. They drop any suppliers not satisfactory on these factors.
Purchase decision	A specific brand of smartphone is selected, the price is paid, and the student leaves the store.	They use quality, price, delivery, and technical capability as key buying criteria to select a supplier. Then they negotiate terms and award a contract.
Post-purchase behaviour	Student re-evaluates the purchase decision, and may return the smartphone	They evaluate the supplier using a formal vendor-rating system and notify the supplier if the camera does not meet their quality

Stage in the Buying Decision Process	Consumer Purchase: Smartphone for a Student	Organizational Purchase: Camera for a Smartphone
	to the store if it is unsatisfactory.	standard. If the problem is not corrected, they drop the firm as a future supplier.

The Buying Centre: A Cross-Functional Group

For routine purchases with a small dollar value, a single buyer or purchasing manager often makes the purchase decision alone. In many instances, however, several people in the organization participate in the buying process. The individuals in this group, called a **buying centre**, share common goals, risks, and knowledge important to purchase decisions. For most large multistore chain resellers, such as 7-Eleven convenience stores, the buying centre is very formal and is called a *buying committee*. However, most industrial firms or government units use informal groups of people or call meetings to arrive at buying decisions.

A firm marketing to industrial firms and government units must understand the structure, technical, and business functions represented, and the behaviour of the buying centre. One researcher has suggested four questions to provide guidance in understanding the buying centre in these organizations:[15]

- Which individuals are in the buying centre for the product or service?
- What is the relative influence of each member of the group?
- What are the buying criteria of each member?
- How does each member of the group perceive the potential supplier, its products and services, and its salespeople?



Formal presentations to buying centres are part of the organizational buying process.

PhotoAlto sas/Alamy Stock Photo

People in the Buying Centre

Who makes up the buying centre in a given organization depends on the specific item being bought. Although a buyer or purchasing manager is almost always a member of the buying centre, individuals from other functional areas are included, depending on what is to be purchased.[16]

In buying a million-dollar machine tool, the president (because of the size of the purchase) and the production vice-president would probably be members. For key components to be included in a final manufactured product, a cross-functional group of individuals from research and development (R&D), engineering, and quality control are likely to be added. For new word-processing software, experienced office staff who will use the equipment would be members. Still, a major question in understanding the buying centre is finding and reaching the people who will initiate, influence, and actually make the buying decision.

> *"A major question in understanding the buying centre is finding and reaching the people who will initiate, influence, and actually make the buying decision."*

Roles in the Buying Centre

Researchers have identified five specific roles that an individual in a buying centre can play (see **Figure 5–5**).[17] In some purchases, the same person may perform two or more of these roles.

Figure 5–5 Roles in the buying centre

Users are the people in the organization who actually use the product or service, such as office staff who will use new word-processing software.

Influencers affect the buying decision, usually by helping define the specifications for what is bought. They usually have specialized knowledge. The information systems manager would be a key influencer in the purchase of a new computer network.

Buyers have formal authority and responsibility to select the supplier and negotiate the terms of the contract. The purchasing manager probably would perform this role in the purchase of a computer network.

Deciders have the formal or informal power to select or approve the supplier that receives the contract. Whereas in routine orders the decider is usually the buyer or purchasing manager, in important technical purchases it is more likely to be someone from R&D, engineering, or quality control. The decider for a key component being included in a final manufactured product might be any of these three people.

Gatekeepers control the flow of information in the buying centre. Purchasing personnel, technical experts, and office staff can all help or prevent salespeople (or information) from reaching people performing the other four roles.

Buying Situations and the Buying Centre

The number of people in the buying centre largely depends on the specific buying situation. Researchers who have studied organizational buying identify three types of buying situations, called **buy classes**. These buy classes vary from the routine reorder, or *straight rebuy*, to the completely new purchase, termed *new buy*. In between these extremes is the *modified rebuy*.[18]

- **Straight rebuy:** Here the buyer or purchasing manager reorders an existing product or service from the list of acceptable suppliers, probably without checking with users or influencers from the engineering, production, or quality control departments. Office supplies and maintenance services are usually obtained as straight rebuys.
- **Modified rebuy:** In this buying situation, the company is purchasing a product that it has experience purchasing, such as new laptops for salespeople, but it wants to change the product specifications, price, delivery schedule, or supplier. The changes usually mean

B2B Market Segmentation

LO 5 Chapter 6, "Segmentation, Targeting, and Positioning," focuses primarily on the consumer market. Here we focus on the business market. Consumer market segmentation groups consumers into groups that have common needs and respond similarly to marketing programs. The process of segmenting business markets divides markets based on type of customer, size, buying situation, customer location, and benefits sought. By applying market segmentation concepts to groups of business customers, a marketer can develop a strategy that best suits a particular segment's needs.

Type of Customer

The NAICS codes discussed earlier provide a useful tool for identifying business target markets. For example, Steelcase, a major producer of office furniture, segments its customers into ten industries, including banking, higher education, hospitality, and health care.

Size of Customer

Many B2B marketers divide their potential market into large and small accounts, using separate distribution channels to reach each segment. For example, marketers may develop one strategy to reach Fortune 500 corporations, which have complex purchasing procedures, and another strategy for small firms where decisions are made by one or two people. American Express provides information and assistance for small business owners with its Small Business Services unit, which is dedicated exclusively to the success of small business owners and their companies.

Type of Buying Situation

B2B marketers can divide their potential market by the three types of buy classes: new buy, modified rebuy, and straight rebuy. We recognized in the buy-class discussion above that a

new buy is significantly different from a straight rebuy in several important respects. Consequently, a business seller might well segment its market into the three buy-class categories.

Customer Location

The product manager might segment on the basis of region or actual location of the potential customer. Firms located in a metropolitan area might receive a personal sales call, whereas those outside this area might be contacted by telephone.

Benefits Sought

The market may also be segmented on the basis of benefits sought. Xerox might decide to focus on firms looking for quality products and good customer service as opposed to those looking simply for lower prices.

Critical Thinking for Marketing

1. *Describe your strategy when selling to a business with a large buying centre. How you build relationships through your marketing process?*
2. *What are the three types of buying situations or buy classes, and how can B2B marketing provide opportunities for rebuys?*

Online Buying in Organizational Markets

LO 6 Organizational buying behaviour and business marketing continue to change with the use of the Internet and ecommerce. Due to rising competition, organizations are learning from their successes and adapting to their failures. Scale allows organizations to vastly outnumber consumers in terms of both online transactions made and purchase volume.[21] In fact, organizational buyers account for about 80 percent of the total worldwide dollar value of all online transactions. Organizational buyers in North America will account for about 60 percent of these purchases. Almost all small businesses reportedly make purchases online.

Prominence of Online Buying in Organizational Markets

Online buying in organizational markets is prominent for three major reasons.[22] First, organizational buyers depend heavily on timely supplier information that describes product availability, technical specifications, application uses, price, and delivery schedules. This information can be conveyed quickly online. The Internet has altered one aspect of B2B purchasing: buyers have much more knowledge at their fingertips about the seller's product than in the past.

Second, Web-based technology has been shown to substantially reduce buyer order-processing costs. At General Electric, online buying has cut the cost of a transaction from $50 to $100 per purchase to about $5. Third, business marketers have found that web-based technology can reduce marketing costs, particularly sales and advertising expenses, and broaden their potential customer base for many types of products and services. For these reasons, online buying is popular in all three kinds of organizational markets. For example, airlines order over $400 million worth of spare parts from the Boeing Company website each year.

> *"At General Electric, online buying has cut the cost of a transaction from $50 to $100 per purchase to about $5."*

Online buying can assume many forms. Organizational buyers can purchase directly from suppliers. For instance, a buyer might acquire a dozen desktop photocopiers from **Xerox.ca**. This same buyer might purchase office furniture and supplies online through a reseller, such as Staples at **staples.ca**. Increasingly, organizational buyers and business marketers are using e-marketplaces and online auctions to purchase and sell products and services.

E-marketplaces: Virtual Organizational Markets

A significant development in organizational buying has been the creation and growth of online trading communities, called **e-marketplaces**, that bring together buyers and supplier organizations.[23] These online communities go by a variety of names, including portals, exchanges, and ehubs, and make possible the real-time exchange of information, money, products, and services. Globally, the number of e-marketplaces for businesses is extensive.

E-marketplaces can be independent trading communities or private exchanges. Independent e-marketplaces typically focus on a specific product or service, or serve a particular industry. They act as a neutral third party and provide an online trading platform and a centralized market that enable exchanges between buyers and sellers. Independent e-marketplaces charge a fee for their services and exist in settings that have one or more of the following features:

- Thousands of geographically dispersed buyers and sellers
- Frequently changing prices caused by demand and supply fluctuations
- Time sensitivity due to perishable offerings and changing technologies

- Easily comparable offerings between a variety of suppliers

Well-known independent e-marketplaces include PaperExchange (paper products), PlasticsNet (plastics), Altra Energy (electricity, natural gas, and crude oil), and FarmTrade (agricultural products). Small business buyers and sellers, in particular, benefit from independent e-marketplaces. These e-marketplaces offer suppliers an economical way to expand their customer base and reduce the cost of purchased products and services.

Large companies tend to favour private exchanges that link them with their network of qualified suppliers and customers. Private exchanges focus on streamlining a company's purchase transactions with its suppliers and customers. Like independent e-marketplaces, they provide a technology trading platform and central market for buyer–seller interactions.

Large firms such as IBM, General Motors, and Toyota have formed private exchanges. Some, such as IBM and GE, have mandated that their suppliers must deal with them primarily through online exchanges. These private exchanges provide tremendous cost savings through the elimination of periodic negotiations and routine paperwork.

E-marketplaces: Global Ecommerce

Ariba is an e-marketplace that connects one million businesses. Ariba's global membership includes buyers and suppliers from a variety of industries. It was originally set up as a one-stop solution to specifically meet the eprocurement needs of the natural resource industry.[24]

Creating online marketplaces provides the benefit of creating opportunities for business beyond the borders of their country of origin. Due to the ability for quicker expansion, businesses may find themselves in countries where they are not familiar with the political situation.

The growth of virtual B2B interactions has not limited face-to-face interactions, however, particularly in the global business community. The Marketing Matters box, **Marketing Mishaps in the Global Economy**, looks at some common mishaps to avoid when working with international business partners.[25]

Part of Our World

As of May 2022, Royal Bank of Canada was Canada's largest company, but only the 78th largest in the world, by market capitalization. The top five global companies by market capitalization are shown below.

	Market Value
1. Apple	$2,850 billion
2. Microsoft	$2,311 billion
3. Saudi Arabian OI	$2,298 billion
4. Alphabet	$1,842 billion
5. Amazon.com Inc.	$1,659 billion

Source: "Global Top 100 Companies by market capitalization," pwc, May 2022, accessed at www.pwc.com/gx/en/audit-services/publications/top100/pwc-global-top-100-companies-by-market-capitalisation-2022.pdf.

Marketing Matters

Marketing Mishaps in the Global Economy

When doing business in Japan you will find a heightened sense of formality in your interactions with other people. Your suitability with respect to conducting business will be assessed during a first meeting. It is important to maintain a sense of professionalism and be aware of the host country's customs. Offending a professional from another country could affect your business relationship.

In Japanese society, the bow is used when meeting, when getting attention, to show gratitude, to express sympathy, or as an apology. In Western society, handshakes are more the norm. Cultural norms were revisited as physical distancing and mask-wearing become more and more prevalent in North America during the pandemic.



Presenting business cards with two hands is normal business practice in Japan.

Phillip Jarrell/Getty Images

The diversity of our world offers interesting challenges in business. What some cultures deem as humorous may be quite offensive to others. Marketers blunder if the differences between cultures are not taken seriously.

When doing business in Japan, the exchanging of business cards involves a degree of ceremony. The card is seen to represent the individual, so it should be treated with respect. Before travelling to Japan, ensure that you have ample cards and have one side translated into Japanese. Include your position within the company on it. Invest in a carrying case to store cards and keep this in an easy-to-access location.

When exchanging cards, offer your card, with the Japanese side up, with both hands. Ensure that there is no barrier between you and the recipient, such as a table, chair, or plant. When accepting a card, always use two hands as this shows deference.

The Japanese like dealing with quiet, sincere, and compromising individuals. Extroverts are seen as brash and arrogant. Early on in negotiations, remain humble, indirect, and non-threatening. Silence is considered a virtue. If things go quiet when doing business in a meeting, don't panic. Reflection is taking place. Silence may be also be accompanied by the closing of the eyes. Never interrupt or break the silence.

Some marketing mistakes that have happened in the past include Nike's release of women's leggings in New Zealand that had a pattern that resembled a Samoan tattoo. The international company did not realize that the tattoo was reserved for men. Nike was made aware of its error and pulled the product.

North Americans are comfortable with slang phrases. So comfortable that Coors launched a cool campaign entitled "Turn It Loose." Unfortunately, the phrase, which was intended to infer releasing inhibitions and having fun, did not translate that way in Spanish-speaking markets as the translation was "suffer from diarrhea."

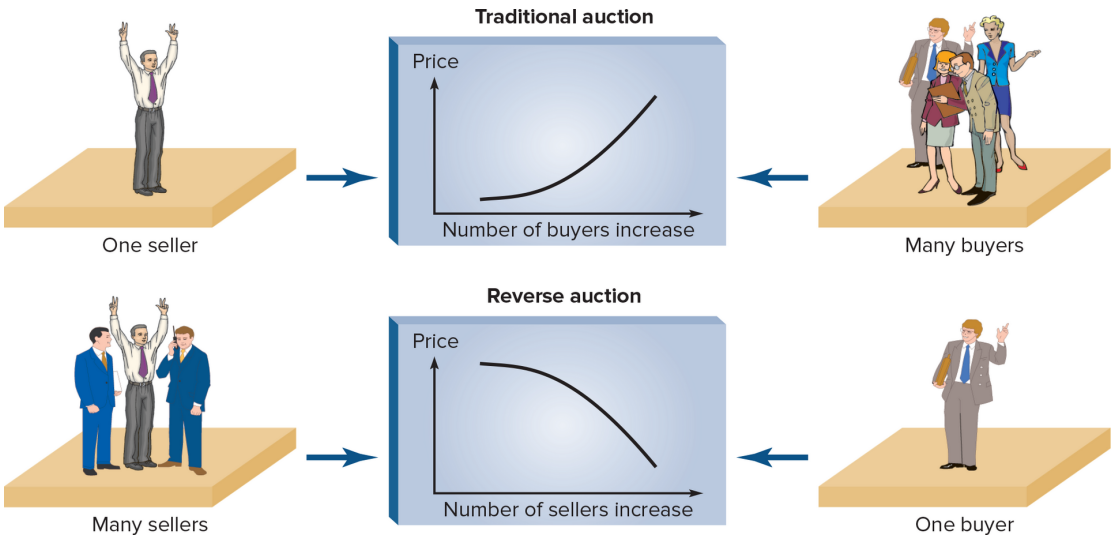
Questions

1. Can you think of other customs that a businessperson should be aware of in doing business in other countries?
2. What are some ways you can prepare for meetings or discussions with business people from other countries?

Online Auctions in Organizational Markets

Online auctions have grown in popularity among organizational buyers and business marketers. Many e-marketplaces offer this service. Two general types of auctions are common: a traditional auction and a reverse auction.[26] Figure 5–7 shows how buyer and seller participants and price behaviour differ by type of auction. Let's look at each auction type more closely to understand the implications of each for buyers and sellers.

Figure 5–7 How buyer and seller participants and price behaviour differ by type of online auction



In a **traditional auction**, a seller puts an item up for sale and would-be buyers are invited to bid in competition with one another. As more potential buyers become involved, there is an upward pressure on bid prices. Why? Bidding is sequential—that is, bidders bid in order, one at a time. Prospective buyers observe the bids of others and decide whether to increase the bid price. The auction ends when a single bidder remains and "wins" the item with the highest bid. Traditional auctions are frequently used to dispose of excess merchandise. For example, Dell Computer sells surplus, refurbished, or closeout computer merchandise at its **dellauction.com** website.

A reverse auction works in the opposite direction from a traditional auction. In a **reverse auction**, a buyer communicates a need for a product or service and would-be suppliers are invited to bid in competition with each other. As more would-be suppliers become involved, there is a downward pressure on bid prices for the buyer's business. Why? Like traditional auctions, bidding is sequential and prospective suppliers observe the bids of others and decide whether to decrease the bid price. The auction ends when a single bidder remains and "wins" the business with its lowest price. Reverse auctions benefit organizational buyers by reducing the cost of their purchases. As an example, General Electric, one of the world's largest companies, has its own Global eXchange Services unit, which runs online reverse auctions for the company. It claims that it saved $780 million on the purchase of $6 billion worth of products and services.[27]

Clearly, buyers welcome the lower prices generated by reverse auctions. Some suppliers also favour the reverse auction process because it gives them a chance to capture business that they might not have otherwise had because of a longstanding purchase relationship between the buyer and another supplier. On the other hand, suppliers argue that reverse auctions put too much emphasis on prices, discourage consideration of other important buying criteria, and threaten supply partnership opportunities.[28]

Critical Thinking for Marketing

1. *What are e-marketplaces?*
2. *How do traditional auctions and reverse auctions affect bid prices?*

Summary...just the facts

LO 1 • Organizational buyers are divided into four different markets:

- Industrial firms reprocess a product or service and then sell it.
- Resellers buy physical products and sell them without reprocessing them.
- Government units at the federal, provincial, regional, and municipal levels purchase goods and services to help serve their constituents.
- Non-profit organizations purchase products and services to help their organizations serve the good of society as opposed to a financial goal.

- The North American Industry Classification System (NAICS) is a convenient starting point to begin the process of measuring business markets.

LO 2 • Content marketing keeps potential customers engaged by ensuring that relevant and valuable content is available at various touch points.

LO 3 • Key differences between the business and consumer buying processes include demand characteristics, number of potential buyers, buying objectives, buying criteria, size of the order or purchase, buyer–seller relationships and partnerships, and multiple buying influences within companies.

LO 4 • The buying centre is a group of people in an organization that participates in the buying process.

- The buying centre usually includes a person from the purchasing department and possibly representatives from R&D, engineering, and production, depending on what is being purchased. These people can play one or more of five roles in a purchase decision: user, influencer, buyer, decider, or gatekeeper.
- The organizational purchasing process is influenced by the extent of the buying situation:
  - A straight rebuy is a routine purchase that may not involve any users or influencers.
  - A modified rebuy would involve users and influencers since there is a change to the specifications of the original purchase.
  - A new buy will be more complex and involve more people in the buying centre.

LO 5 • The process of segmenting business markets divides markets based on type of customer, size, buying situation, customer location, and benefits sought.

- By applying market segmentation concepts to groups of business customers, a marketer can develop a strategy that best suits a particular segment's needs.

LO 6 • Online buying is prevalent in industrial, reseller, and government markets.

- Globally, the number of e-marketplaces for businesses is extensive, and online auctions are commonly used by organizational buyers and business marketers.

Key Terms and Concepts…a refresher

business marketing

buy classes

buying centre

derived demand

e-marketplaces

fluctuating demand

inelastic demand

North American Industry Classification System (NAICS)

organizational buyers

organizational buying behaviour

reverse auction

supply partnership

traditional auction

Hands-on... APPLY YOUR KNOWLEDGE

Differences when Marketing to Organizations In the opening vignette, Melissa Durrell shares the importance of being able to provide good solutions to her clients. In particular, for larger purchases and key partnerships, decisions need to be made by a committee as opposed to an individual. Review the opening vignette and identify other differences in the organizational-buying purchase-decision process that need to be considered when marketing to organizations.

Chapter Vignette… ACTIVITY

Strategic partnerships are crucial to the success of many businesses. This chapter's opening vignette describes how Durrell Communications acts as a strategic partner to many organizations. At the end of the vignette, consider the question about marketing differences, particularly on the number of individuals involved when making decisions. Relate this to the concept of the buying centre and the different roles of individuals outlined in this chapter.

Marketing YOU

As outlined in this chapter, there are a variety of organizations that you could work at, including organizations in industrial markets, resellers, government units and non-profit organizations. These types of organizations and others are incorporating environmentally sustainable practices and are working on solving challenges that you might also be interested in solving. Many students and graduates are looking to work for an organization that aligns with their values.

It is worthwhile exploring what is important to you and what challenges you might wish to aim your talents at. Once you have identified key challenges that you wish to address, realize that you do not have to do it all on your own. As stated, there are many organizations that are working on addressing the issues that matter most to you. During your job exploration, conduct research and seek out the organizations that are working toward solving the issues that are of concern to you.

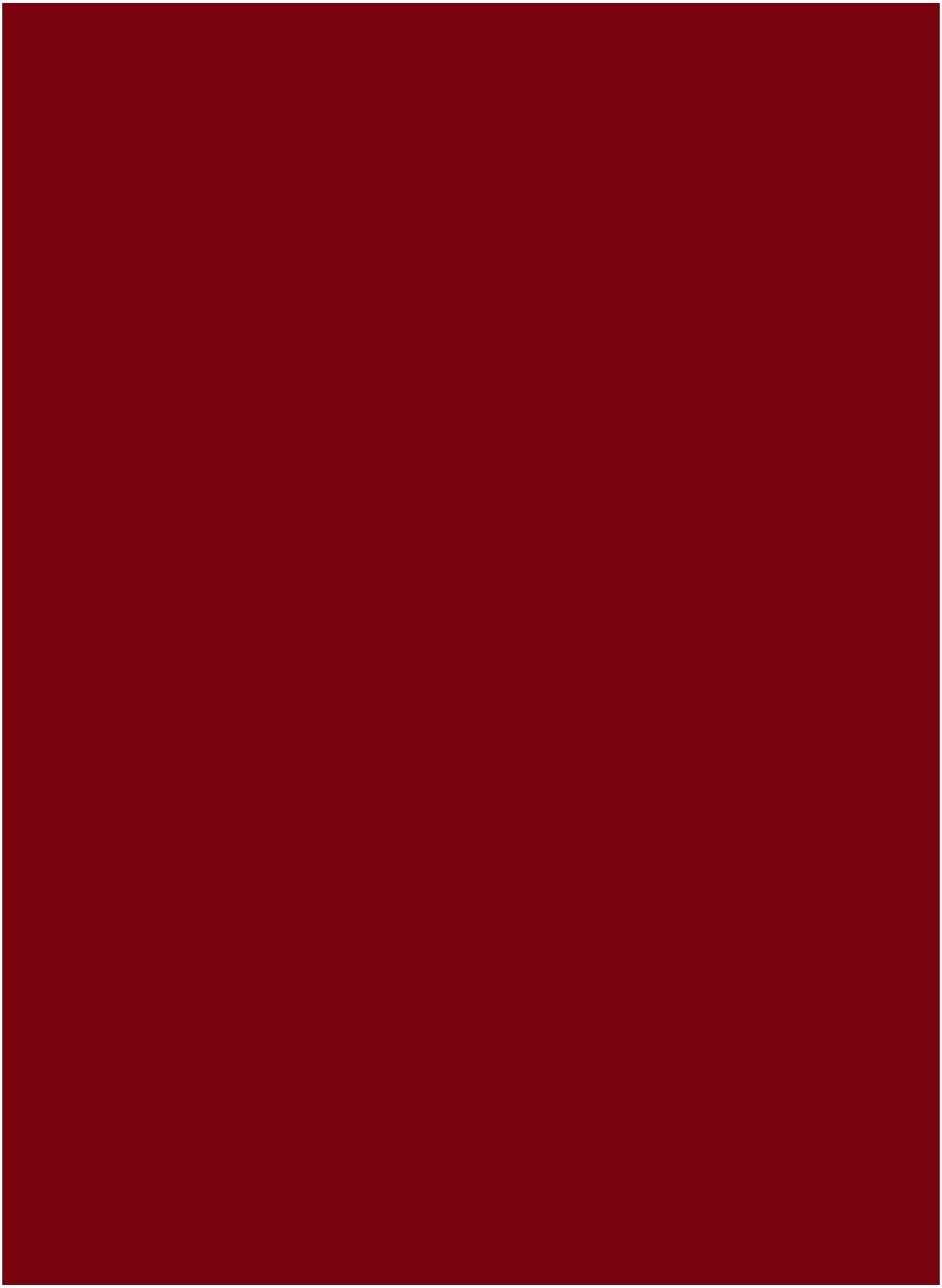
Activity:

1. List some of the challenges that we are facing in the world today that really resonate with you. What issues really bother you that no one seems to be able to solve?
2. If you had the power to make a significant change in the lives of people or the planet, what would you change?
3. In your view, what issues in the world need addressing?
4. You may wish to refer to the United Nations Sustainable Development Goals for inspiration (**https://sdgs.un.org/goals**).



checy/Shutterstock

Record your answers in Circle 3 of the **ikigai diagram**, What the World Needs.



Chapter 6
Segmentation, Targeting, and Positioning





(left) Mauro Toccaceli/Alamy Stock Photo; (right) Greg Gerla/Alamy Stock Photo

LEARNING OBJECTIVES

- LO 1 Explain market segmentation and its relevance to marketing
- LO 2 Detail the different forms of market segmentation
- LO 3 Describe the elements included in target market profiles and personas
- LO 4 Gain insight into the scope of segmentation analytics
- LO 5 Outline the steps involved in segmenting a market
- LO 6 Explain the concept of product positioning

CHAPTER OUTLINE

- Calgary Stampede
- Market segmentation
- Segmentation strategies
- Target markets and personas
- Segmentation analytics
- Steps in market segmentation
- Product positioning

CHAPTER FEATURES

What Is Pickleball and Why Do People Love It?

Pickleball people are taking over the tennis courts.

Not Your Parents' Financial Services—Questrade

Questrade repositions to target a younger market.

Market segmentation, target markets, and product positioning are the foundations of marketing practices. We turn to the research conducted by Stone-Olafson for the Calgary Stampede to demonstrate segmentation in practice. We will see examples of effective segmentation and how proper customer segmentation, targeting, and messaging can drive business in the tourism industry. We then explore these concepts in more detail throughout the chapter.

The Calgary Stampede is a not-for-profit community organization that preserves and celebrates Western heritage, cultures, and community spirit. Supported by over 2,500 passionate volunteers, the year-round events, programs, and initiatives invest in youth, support agricultural programs, celebrate Western culture, and have a lasting economic impact on the city of Calgary.

The Calgary Stampede is an annual rodeo, exhibition, and festival held every July in Calgary, Alberta, Canada. The ten-day event, which bills itself as The Greatest Outdoor Show on Earth, attracts over one million visitors per year and features one of the world's largest rodeos, a parade, a midway, stage shows, concerts, agricultural competitions, chuckwagon racing, and First Nations exhibitions.

The Calgary Stampede's roots are traced to 1886 when the Calgary and District Agricultural Society held its first fair to promote the town and encourage farmers and ranchers from Eastern Canada to move west. In 1912, American promoter Guy Weadick organized his first rodeo and festival, known as the Stampede. He returned to Calgary in 1919 to organize the Victory Stampede in honour of soldiers returning from World War I. Weadick's festival became an annual event in 1923 when it merged with the Calgary Industrial Exhibition to create the Calgary Exhibition and Stampede.

Calgary's national and international identity is tied to the event. It is known as the Stampede City, carries the informal nickname of Cowtown, and the local Canadian Football League team is called the Stampeders. The city takes on a party atmosphere during Stampede: office buildings and storefronts are decorated in cowboy themes, residents don Western wear, and events held across the city include hundreds of pancake breakfasts and barbecues.

The Calgary Stampede segments its audience to more effectively engage attendees and guests by providing detailed knowledge about smaller groups of the larger population. They employ Stone-Olafson to conduct online research interviews to assist in identifying existing audiences (most loyal), uninterested audiences, and potential audiences (swing groups).

This research was conducted in 2014 and sampled 1,200 respondents who lived in Calgary and were over the age of 18. They could not have been an official employee of or volunteer at the Calgary Stampede in the previous 10 years. It was balanced to reflect the appropriate proportion of gender and age in the adult population.

It is inefficient to broadcast to an entire market. The ideal approach is to focus on reaching audiences where there is potential to either maintain or increase engagement. The purpose is to break the audience into manageable segments based on their attitudes, behaviours, perceptions, and interactions with the Stampede.

The results identified key groups including fans who are loyal and supportive and people who are unreachable. Most importantly, the results identified groups of Calgarians who are in the middle—the targets for increased engagement.

Outcomes identified five distinct groups that interact (or don't) with the Stampede. Only a small segment (16 percent) are truly unreachable. The organization has a core group (24 percent) of fans who are enthusiastic supporters. Outcomes also identified two groups of *leaners*—people who generally support the Stampede, but for one reason or another are not as engaged. These are opportunity segments. One segment is harder to reach in the short term because the members are more difficult to connect with.

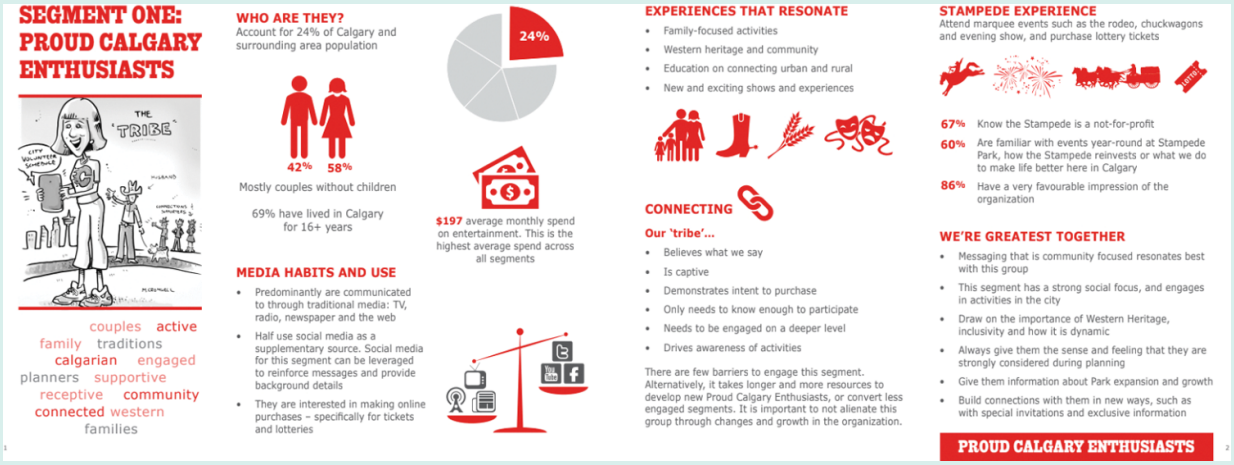
Segmentation outcomes revealed five audience segments. One (Proud Calgary Enthusiasts) is a core fan base. Two others are very positive, but there is room to engage them further and turn them into true fans: Inactive Passive Supporters and Diverse Social Seekers. There is one leaning segment—Ambivalent Posers, which should be considered a long-term prospect. They are not negative, mostly ambivalent. Finally, research identified a single segment of Calgarians that should be avoided—Unreachable Cynics.

- **Proud Calgary Enthusiasts** are highly supportive of the Stampede and are regular visitors. They are the Stampede's key audience.
- **Inactive Passive Supporters** are older Western supporters who have irregular attendance at the Stampede. This audience needs to be convinced that a visit to the Park is a necessary part of the Stampede experience.
- **Diverse Social Seekers** are a younger audience and are irregular Stampede visitors who have very little interest in Western heritage or events. However, they have high participation in many other events and activities in Calgary. Reaching this audience will require communication that is relevant to their age group.
- **Ambivalent Posers** have generally negative impressions of the Stampede and low attendance rates. However, given their high monthly entertainment spending and their interest in the midway, food, and live music, they should be regarded as a longer-term target audience that the Stampede could continue to try to reach.
- **Unreachable Cynics** represent 16 percent of the population and have very negative impressions of the Stampede. They are inactive, price-conscious, and infrequent Park visitors. The focus on this segment will be in preventing them from poisoning other audiences.

Let's take a closer look at one of these identified segments and look more closely at the information gathered and how it can be used.

Proud Calgary Enthusiasts is a family-focused segment with an open mind and interests in meeting new people. They respect social order and value the traditions and heritage that have made Calgary unique and successful. They appreciate organizations like the Stampede that are working to preserve this heritage.

Here is a summary of the research gathered:



Based on the above, these are some recommendations to put this information to good use.

Reaching and Engaging Objectives:

- Drive awareness of activities—this segment already demonstrates intent to purchase or participate, they just need the details of what's happening to maintain their current level of participation. Given their engagement and support, the primary goal in this area will be to foster deeper engagement.
- Develop ambassadors—leverage this audience to develop more ambassadors to carry Stampede messages into the world.

Media reach:

- They are predominantly engaged with traditional media like radio and television (even commercials) for their information. They are also active browsers of websites and newspapers. Start there to drive awareness. A layered approach would likely be most impactful.
- About half use social media regularly—leverage this to reinforce messages and deliver more background and details.

The report was an ongoing guide that could be used by teams and partners working with the Stampede to inform marketing decisions, programming initiatives, sponsorship strategies, lottery planning, and much more.

It could also be a valuable tool to inform other specific questions, such as:

- Which audiences should we focus on to strengthen reputation, grow attendance, or increase sales?
- How can messages be tailored to reach them?
- Which media can be leveraged to maximum effect?
- Which segments are most closely engaged and buying our products (merchandise, lottery tickets, entertainment products etc.)?
- What programs can be used to attract more people to Stampede?
- What is most likely to enhance experiences among key audiences?

This case demonstrates the importance of segmentation and how it informs marketing decisions.[1]

reality CHECK

As you read Chapter 6, refer back to the Calgary Stampede vignette to answer the following questions:

- What market segmentation strategy is Calgary Stampede using: mass marketing, segment marketing, niche marketing, or individualized marketing?
- How would you describe Calgary Stampede's target market with the four segmentation variables?

Segmentation, Targeting, and Positioning

Segmentation, targeting, and product positioning are fundamental concepts that are central to how marketers run their businesses and market their products. These concepts are intertwined and work together to create and reinforce a product's image to its consumers and to the market in general.

A market segmentation analysis allows marketers to identify which segments could be a focus, where gaps in the market exist, and where future opportunities may lie. Having a clear position in the market allows more focused and consistent communication with customers in a meaningful way. Marketers are careful to consistently reinforce a product's image by ensuring that all elements of the marketing mix are well coordinated to reflect the product's positioning and target market needs and wants.

“Segmentation, targeting, and product positioning are fundamental concepts that are central to how marketers run their businesses and market their products.”

The Calgary Stampede uses these approaches to ensure that its product features and marketing programs are relevant and focused to meet the needs of its target audience. In such a competitive marketplace, this approach helps the Calgary Stampede maintain a competitive edge.

Market Segmentation

LO 1 The concepts of market segmentation, target markets, and product positioning are based on three important facts:

1. Consumers have a range of different needs, and a single product cannot satisfy everyone.
2. Companies have limited amounts of money, which need to be spent efficiently and effectively on consumers who are most likely to purchase the product.
3. Marketers need to have clear consumer insights on their target markets in terms of product needs, price expectations, purchase habits, and the communication tools most used.

In simple terms, a market segment is a piece of the market. In the marketing world, there are two main market segments: the consumer market and the business market. The **consumer market** consists of goods, services, and ideas that a person can purchase or support for their own personal use. The **business market** involves products that are purchased either to run a business or to be used as a component in another good or service.

How a product is classified depends on its usage. Let's look at an example to clarify this point. A person buys an iPad in order to connect on social networks, surf the Internet, stream music, upload photos, and watch movies for entertainment. A company buys its salespeople iPads so that they can make better customer presentations and more easily access head-office files. The products are exactly the same. In the first instance, the iPad is a consumer product for personal use; in the second instance, the iPad is a business product for assisting salespeople.

There are many other similar examples, but it is important to understand that many products are tailored specifically for one market or the other, and not necessarily both. Heavy machinery used for landscaping is not a consumer product, and a comic book is not a business product.

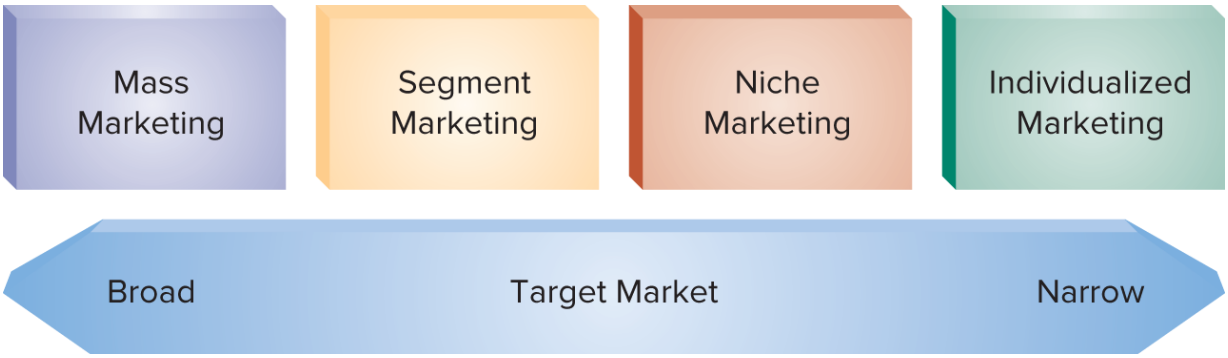
Formally, **market segmentation** involves aggregating prospective buyers into groups that have common needs and respond similarly to marketing programs. These groups are relatively homogeneous and consist of people who are fairly similar in terms of their consumption behaviour, attitudes, and profiles.

There is normally more than one firm vying for the attention of prospective buyers in a market. This results in marketers following a strategy of **product differentiation** to position their products so that to consumers they appear distinct from competitive offerings. It is important to note that product differentiation does not mean a product has to be better than the competition. Marketers position their products as best they can to meet the needs of their target consumers. Sometimes, this may mean adding a unique feature; other times, it may mean creating a unique image or a better price.

Forms of Market Segmentation

LO 2 There are a number of different approaches companies can take to segment the market. Whether a company is in the business-to-business market or the consumer market, it can follow one of these four strategies: a mass marketing strategy, a segment marketing strategy, a niche marketing strategy, or an individualized marketing strategy (see **Figure 6–1**).

Figure 6–1 Companies can take different approaches to market segmentation



Mass Marketing

This approach exists in a limited capacity today due to the competitiveness of the market and the need for marketers to specifically address consumer needs with their offerings. A **mass marketing** strategy is when a product with broad appeal is widely marketed to the entire market with no product or marketing differentiation at all. Examples can be found in the

utilities area, with items such as natural gas being marketed to all consumer groups with no variation from either a product or marketing perspective.

Other examples can be found in the fruits and vegetables market with products such as broccoli, radishes, and spring onions also being sold indiscriminately to all target groups. Today, there are few products that use a mass marketing approach. With the influx of data and the range of technology to communicate with consumers, it makes it more practical for a brand to better profile consumers and engage them through more focused messaging.



What segmentation strategy is used to market these products?

filmfoto/iStock/Getty Images

Segment Marketing

This form of market segmentation is the most common form of segmentation, practised by companies such as the Calgary Stampede discussed in this chapter's opening vignette. Segment marketing involves the marketing of a wide range of different products and brands to specifically meet the needs of an organization's varied target markets. Examples of this approach can be seen in competitive industries that are dominated by large organizations, such as the food business, car industry, and smartphone market, just to name a few.

For example, in the car industry, companies such as General Motors market cars, trucks, sport utility vehicles, crossovers, and minivans under a wide range of brands and models. Well-known General Motors models include Cruze, Camaro, Yukon, Sierra, Equinox, and Corvette, and its premium Cadillac brand offers luxury vehicles such as the Escalade. These vehicles and brands are created and marketed to appeal to different market segments in the automobile market—and all are owned and marketed by General Motors.

Let's look at the laundry detergent category for additional clarity and examine Procter & Gamble's (P&G) brand approach to market segmentation. If we look at laundry detergent in general, there are products that appeal to different demographic and behaviouristic groups. For example, there are detergents that are superior at cleaning your clothes, detergents that are gentle on clothing, and detergents that make your clothing smell great.

When P&G started making laundry detergent, it was a "one size fits all" product. Tide was the first "heavy-duty synthetic detergent" available on the market. Mass marketing approaches were used to promote and sell the original Tide. Using the slogan "oceans of suds," Tide became the top-selling laundry detergent. Over time, this strategy shifted to a segmented approach, with P&G launching multiple laundry detergent brands with an assortment of product offerings under each brand. Tide focuses on consumers who want superior cleaning, Ivory Snow focuses on families who want a gentle detergent for their children's clothing, and Gain focuses on consumers who want their clothes to smell great.

Through the development of innovative new products, P&G has expanded into even more targeted segments, including products for consumers who are energy conscious, consumers who want whiter clothes, and consumers who want products without added fragrance, just to name a few.

> *"A segment marketing strategy is also followed by companies in the business-to-business market."*

Each product not only caters to the specific product needs of distinct target markets but also has its own marketing program to ensure that each target group's needs are properly met. If you look at the packages for these products, they reflect different target market interests and needs. Ivory Snow, for example, has soft pink packaging with images of hearts to reflect its gentle formulation. Tide has bright packaging featuring a bull's-eye and bright orange colour to boldly stand out on the shelf. Gain is packaged in a bright green package with whimsical images of flowers, reflecting the focus on product fragrance.[2]



Brands such as Heinz and French's follow a segment marketing strategy in their food-service businesses.

(left) ©Andrew Francis Wallace/Toronto Star via Getty Images, (right) ©Rosenfeld Images Ltd/Science Source

As discussed in **Chapter 5**, a segment marketing strategy is also followed by companies in the business-to-business market, using variables such as the type of customer, size of customer, location of customer, type of buying situation, or benefits sought.

An example can be seen in the food-service industry. French's ketchup and mustard are well known in the Canadian consumer market, but French's also has an ingredient business, selling its products to food manufacturers and restaurants. Many fast-food restaurants provide small, individual 9-gram ketchup packages to customers with their meal. A fast-food chain may order the ketchup from its head office to supply to its many restaurants. The head office may order pallets of 40 boxes with 1,500 ketchup packages in each box, and then distribute the boxes to its restaurants.

French's may also have a poultry processor as a customer. This poultry processor uses ketchup in the seasoning for the chicken wings that it sells to customers in the frozen food section at grocery stores. This poultry processor's specification would take into account the volume of ketchup it requires, the taste of the ketchup, how it is used in the manufacturing process, and packaging. Since this customer requires hundreds of gallons of ketchup annually, and all processing is done in one location, it orders 330-gallon stackable totes of the ketchup. These totes provide the volume needed by the poultry processor, and the totes can be easily stacked and stored at the plant.

In these two examples, French's is segmenting its customers by the type of customer (restaurant versus food manufacturer). Another key segmentation variable is benefits sought. The fast-food chain requires individual packets that can be easily distributed to its individual restaurants, while the poultry processor requires large volumes that can been easily stored.[3]

Niche Marketing

Niche marketing is a market segmentation strategy where a company restricts its efforts to marketing a limited product line to a narrow but profitable single segment of the market that is of marginal interest to major competitors.[4] Staying within the laundry detergent market, we look at Tru Earth laundry detergent to see niche marketing approaches.



What segmentation strategy is used by Tru Earth with its laundry detergent?

Copyright © Tru Earth. All Rights Reserved

Tru Earth laundry detergent is an example of a product that started out using a niche marketing approach. Tru Earth is a Vancouver-based company founded in 2019 and provides consumers with an eco-friendly zero waste laundry detergent. Tru Earth is also the founder of The Tru Earth Movement: #TruEarthMovement. Tru Earth eco-strips are pre-measured and completely dissolve in both cold and hot water. Tru Earth eliminates heavy laundry jugs and frees up cupboard space. Weighing just three grams per strip, Tru Earth's ultra-concentrated formula creates 94 percent less transportation pollution when compared to traditional detergents. Tru Earth has focused on consumers who are eco-conscious and want products that are safer to use, as well as being safe for the environment.[5]

Crown Outdoor and Tactical, a family-owned business located in Calgary, has been in the surplus business for the last 65 years. It has provided uniforms, mortars, firearms, tents, torpedos, and camouflage nets to cadets, military, and paramilitary. It also provides the above as props and treasures to the film industry. Crown also sells an emergency food supply

kit with 56 meals that lasts for 25 years that retails for $200. A very well-defined niche market indeed.[6]

Individualized Marketing

New technology has boosted individualized marketing as a segmentation option for marketers. **Individualized marketing** can also be called one-to-one marketing with "segments of one," and it involves customizing products to fit individual needs.[7] It is important to differentiate between individualized segmentation and individualized marketing communication. With the wide-scale use of technology and collection of customer data, messages and offers are regularly being customized for target audiences. But with individualized market segmentation, product and service offerings are also customized to meet individual needs.

Marketers are rediscovering what general store owners knew a century ago. Every customer is unique, has particular wants and needs, and requires special care from the seller. Efficiencies in manufacturing and marketing during the past century made mass-produced goods so affordable that most customers were willing to compromise their individual tastes and settle for standardized products. Today's Internet ordering and flexible manufacturing and database marketing techniques have facilitated individualized market segmentation by making it easier to tailor goods and services to suit individual customer needs.

Consider Coca-Cola with its Share a Coke campaign where customers can find their own names or other popular titles.



Coca-Cola's "Share a Coke" Campaign

©Chayut Orapinpatipat/Shutterstock

For the campaign, a thousand of the most popular names, all written in the beverage's distinctive script, replaced the Coca-Cola logo on bottles of Coca-Cola, Diet Coke, and Coke Zero. In 2015, the campaign also included a limited-edition release of Cherry Coke, and the nearly 25 million personalized 500 ml bottles featured new names, including Calvin, Maddy, Leo, Maya, Meagan, Keith, Nancy, and Dillon. The company worked with a research firm to have the names cover approximately 90 percent of the population.

Coca-Cola provided an opportunity for those Canadians whose names didn't appear on a bottle to customize their own mini-can at select large events across the country, or create a virtual bottle online and share it via their social media feeds. The first Share a Coke campaign in 2014 was one of its most successful programs of all time, with total sales up 6 percent, new customers increased by 5 percent, and overall brand health scores boosted by 8 percent.[8]

"Every customer is unique, has particular wants and needs, and requires special care from the seller."

The key to successful product differentiation and market segmentation strategies lies in finding the ideal balance between satisfying a customer's individual wants and being able to do this profitably.

Critical Thinking for Marketing

1. *What are the advantages of a segment marketing approach to market segmentation?*
2. *What are the disadvantages of individualized market segmentation?*
3. *Can you think of a brand that has changed its strategy from mass marketing to segment marketing or individualized marketing? What caused this change?*

Target Market Profiles and Personas

Segmentation Variables in Consumer Markets

LO 3 Marketers need to understand what makes their consumers tick, what they desire, and how best to communicate with them. A *target market* is the specific group or segment(s) of existing and potential consumers to which marketers direct their marketing efforts.

Developing an accurate **target market profile** is crucial to the success of all marketing initiatives as it drives decisions about the product's marketing mix and the product's positioning in the market. Markets are segmented using four variables: (1) geographics, (2) demographics, (3) psychographics, and (4) behaviouristics. **Figure 6–2** clearly outlines these four variables.

Figure 6–2 Examples of typical target market variables in Canadian consumer markets

Target Market Profiles		
Categories	**Variables**	**Typical Breakdowns**
Geographics (Where does the target market live and work?)	Region	Atlantic; Quebec; Ontario; Prairies; British Columbia
	City or census metropolitan area (CMA) size	Under 5,000; 5,000–19,999; 20,000–49,999; 50,000–99,999; 100,000–249,999; 250,000–499,999; 500,000–999,999; 1,000,000–3,999,999; 4,000,000+
	Density	Urban; suburban; rural
Demographics (What is the basic census-type information on the target market as a whole?)	Age and family composition	Infant; under 6; 6–11; 12–17; 18–24; 25–34; 35–49; 50–64; 65+
	Gender	pronouns preferred she/her, he/him, they

Target Market Profiles		
Categories	**Variables**	**Typical Breakdowns**
	Marital status	Single or equivalent; married or equivalent
	Income	Under $24,999; $25,000–$34,999; $35,000–$49,999; $50,000–$74,999; $75,000–$99,999; $100,000–$149,999; $150,000+
	Occupation	Professional; managerial; clerical; sales, student; retired; homemaker; unemployed
	Education	Some high school; high school graduate; completed college or university; completed post-graduate studies
	Ethnic background	Country of origin
	Home ownership	Own home; rent home
Psychographics (What are the prevailing attitudes, values, interests, habits, and approaches to life that this target market shares?)	Personality traits	Social; compulsive; extroverted; introverted; intuitive; analytical; judgmental
	Lifestyle values and approaches	Rigid; disciplined; discontented; fearful; confident; positive; optimistic; energetic; resentful; dependent; negative; caring; materialistic; conformist; adventurous; independent; sharing
	Leisure activities, hobbies, and interests	Politics; music; sports; the arts; entertaining; fashion; gaming; health and fitness; travel; food;

Target Market Profiles		
Categories	**Variables**	**Typical Breakdowns**
		gardening; cars; movies; arts and crafts; the environment
	Media habits	Internet; newspaper; magazine; TV; radio; out-of-home
	Technology usage	Desktop computer; laptop; tablet; smartphone; TV; tech-savvy; tech-naive
Behaviouristics (How does this target market use and interact with the product?)	Main occasion for product use	Leisure; recreation and socializing with friends; professional and work situations; medical and personal care, home care, family care, etc.
	Main product benefit sought	Entertainment; self-improvement; fashion; fun; personal status; performance; specific product features such as taste, nutritional value, speed, etc.
	Primary and secondary product usage	Specific main usage and secondary usage of the product. (For example, the main usage of a cereal may be as a nutritious start to the day, but its secondary usage may be as a baking ingredient.)
	Frequency of use	Multiple times throughout the day; daily; weekly; monthly; every few months; biannually; annually
	Frequency of purchase	Daily; weekly; monthly; every few months; biannually; annually
	Product usage rate	Light user; medium user; heavy user

Target Market Profiles		
Categories	**Variables**	**Typical Breakdowns**
	Product usage status	Non-user; ex-user; prospect; first-time user; regular user
	Product loyalty status	None; some; medium; strong

Often, students wonder why it is important to identify all these variables when describing a target market. If consumers are buying chewing gum, what is the relevance of their income level or where they live? In fact, usually only a few elements in a target market profile are the main determinants in why a consumer purchases a product.

Nonetheless, all variables need to be included in the target market profile as this profile is used in other marketing areas. If elements are missing, crucial errors can be made. For example, a target market profile is used extensively when creating advertising programs. The consumer insights are used to help develop campaigns that speak to the target group, and media is bought against the specific target market data such as age, income, location, interests, and media habits.

Geographics

A **geographics** descriptor of a target market looks at where a target market lives, using variables such as country, region, province, city size, and population density, such as urban, suburban, or rural. Marketers often find that Canadians differ in terms of needs or preferences based on where they live. An example is a product such as the Lime electric scooter rental company, which is geared toward urban dwellers. The target market for this scooter mainly resides in city centres.

In Canada, Lime piloted in Waterloo, Ontario, in 2018, and currently operates only in the city centres of Calgary, Edmonton, and Montreal, where its scooters can be located through a smartphone app and accessed with a one-time registration that allows members to rent scooters by the minute. You must be a minimum of 18 years old to rent the scooters. There is no set drop-off location, which is one of the complaints about the service. Scooter dumping on sidewalks and street corners is a nuisance. Lime has hired 30 people in Montreal, called the Tidy Squad, whose duties include rounding up scooters and reminding

riders how to behave, and Montreal has introduced a bylaw that mandates that the company remedy incidents of unlawfully parked scooters within two hours on weekdays.

Another problem is safety; during the first two weeks of electric scooter availability in Calgary, there were 60 injuries reported to the city's urgent care centres and emergency rooms. More than 150,000 unique users took scooters for a spin over 915,000 times in four months in Calgary in 2019. Lime reports that half of one percent of scooter rides results in injuries.[9]



Who are in the target market for electric scooter rentals?

©hanohiki/Shutterstock

Demographics

One of the easiest factors to determine is the demographics profile of a target market. This includes identifying ranges for age, gender, family composition, income, occupation, education, ethnic background, and home ownership for the main target market. This information can be identified through a company's market research information and other secondary data sources, such as Statistics Canada.

An example of where demographics plays a leading role in a target market profile is with the Centrum vitamin brand. Centrum formulates and markets many of its products based on age and gender requirements. Centrum Men 50+ is formulated for men over 50 years of age; Centrum Women 50+ is formulated to meet the needs of women over 50 years of age. There

are also formulations for women and men under 50. Centrum Junior is focused on children between the ages of 4 and 12, and Centrum Prenatal is for women who are pregnant.[10]

Demographic and Geographic Profile: *Canadian Living* Magazine

Gender	Men/women	38%/62%
Age	Principal target	35–64 years
Geography	Ontario	50%

Source: Canadian Living Media Kit 2022, Quebecor Media Sales, accessed April 2023 at https://quebecorexpertisemedia.com/wp-content/uploads/2023/03/Canadian-Living_Media-kit-2023_EN.pdf

Psychographics

Psychographics is one of the most difficult variables to identify for marketers. It involves understanding consumers' lives, values, personalities, general interests, opinions, media usage, technology preferences, and activities. This information is generally based on the primary research that marketers conduct to gather insights on their consumers.

Image-based products focus much of their marketing efforts around these psychographic variables. The fragrance industry, for example, relies heavily on psychographics, as do many soft drink companies. Reflect for a minute on Coca-Cola, positioned as a traditional, refreshing soft drink rooted in old-fashioned Americana. Now think of Pepsi-Cola, marketed as the energetic cola for those with a youthful attitude to life. The products may vary only slightly in taste, but their target markets differ considerably in attitudes, interests, and opinions. Coca-Cola and Pepsi-Cola use psychographics as main variables in their marketing efforts.

Behaviouristics

Behaviouristics directly refers to how and why consumers buy and use products. It is one of the most important target market variables as it can direct the product's positioning in the market and can drive the main marketing communication messages of the brand, as well as promotional ideas and areas for new product development.

Behaviouristics looks at why consumers buy a product, the expected product benefits, how a product is used, how frequently they buy, where they buy, and whether consumers are brand loyal in their purchase behaviour. Database marketing analytics can collect data on consumer purchases and over time identify what triggers consumer purchases as well as how loyal customers are. Primary research can help uncover why consumers purchase a product, what products benefits are most important, and how the product is used. Secondary data, such as Nielsen data, can provide information about where products are most frequently purchased.



How do the target markets for Rogers Communications and Fido differ?

©JHVEPhoto/Shutterstock

Companies in the telecommunications industry often use behaviouristics to market to different customer groups with completely separate companies and brands. Rogers Communications, for example, owns Fido, which is used to market cheaper plans with no contracts to younger consumers who want basic talk, text, and social media access. Similarly, Bell owns Virgin Mobile, and Telus owns Koodo Mobile to market to a hip, younger, budget-conscious crowd. How and why these consumers use their phones and the benefits they desire are key drivers in these marketing efforts.

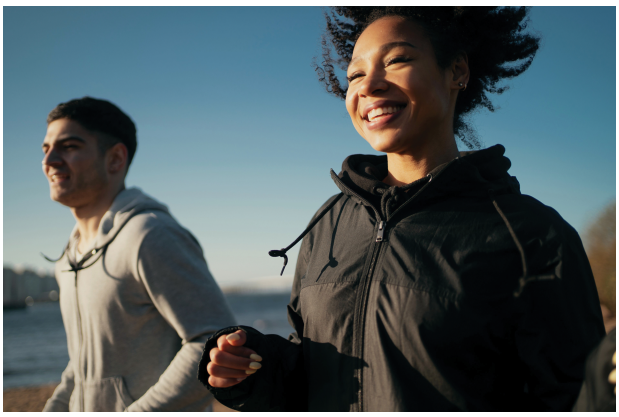
Brand loyalty refers to the favourable attitudes that a consumer has over time toward a brand that result in varying levels of purchase commitment to the brand. Marketers strive to have highly committed, brand-loyal consumers as this helps insulate their brands from competitive marketing practices and a rapidly changing marketing environment.

1. *Market segmentation involves aggregating prospective buyers into groups that have two key characteristics. What are they?*
2. *What is the difference between psychographics and behaviouristics?*

Personas

Personas are character descriptions of a brand's typical customers. Personas bring target market data alive by creating fictional character narratives, complete with images, in one-page descriptions or snapshots that capture the personalities, values, attitudes, beliefs, demographics, and expected interactions of a typical user with a brand. Personas take target market research data and simplify and synthesize it, adding a few fictional details, such as name and image, so that human traits and characteristics become memorable for marketers.

Well-defined personas usually include information on gender, age, interests, hobbies, education, goals, jobs, influencers, media usage, technology preferences, fears, concerns, drivers, and delights and interactions with a brand. They may capture a "day in the life of" a typical user. A branded product may have more than one persona: a primary persona who is the typical main consumer, and a secondary persona that captures the profile of other, less important groups who should not be overlooked. Lululemon Athletica has developed two personas for its athleisure wear, as displayed in the image below.



Sample Personas

muse studio/Shutterstock

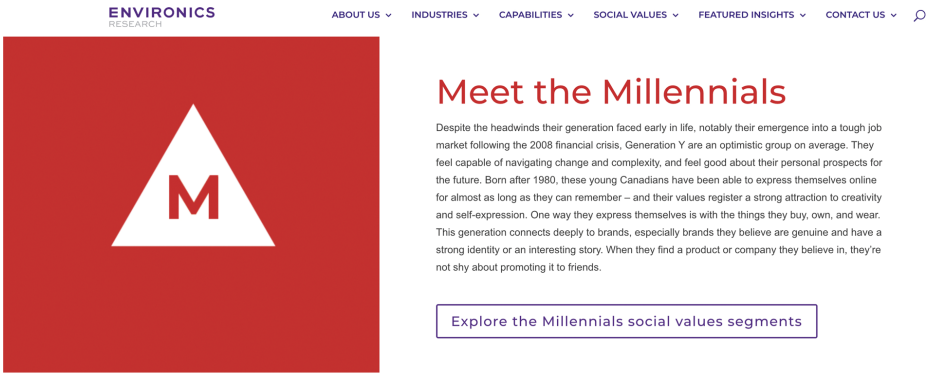
Segmentation Analytics

LO 4 Marketers need to be aware that research companies can provide general data on the size and growth of markets, as well as general consumer and lifestyle trends, to assist in segmentation analysis. Data can be purchased from companies such as Nielsen or Euromonitor, which show trends, market size, competitive products, market share, and future prospects for industries. Euromonitor, for example, provides data on over 200 product categories in over 200 countries.[11]

Other segmentation analytics companies provide segmentation data on a more granular basis to pinpoint information on population clusters that assists marketers. These companies, such as Environics Analytics, Pitney Bowes, and SuperDemographics, analyze populations and create market segments and detailed data to help marketers target specific groups with high levels of accuracy.

Environics Analytics is a highly respected marketing and analytical services company. It helps Canadian companies turn demographic, lifestyle, and behavioural data into customer insights, strategy, and results. Its PRIZM5 segmentation system slices the Canadian population into 68 lifestyle segments, such as Cosmopolitan Elite, Electric Avenues, Les Chics, and Lunch at Tim's, based on common demographics, lifestyles, interests, and values. Its data synthesizes information from the latest census with Environics' demographic projections, as well as its research on social values and consumer behaviour.

This data gives users the ability to review information about what consumers are purchasing, what they enjoy doing, and their attitudes to life. Data funnels down to the granular postal code level where a breakdown of the population for a single postal walk is available. This is particularly useful for database marketing campaigns where postal code information triggers a host of data that assists companies in their targeting and segmentation efforts. This information helps guide marketing campaigns and media strategies.[12]



One of the social values of the Stoic Independents segment in the Millennials generation.

ENVIRONICS RESEARCH © 2022. ALL RIGHTS RESERVED.

The Millennials' social values segments are the result of a major national survey conducted Environics Research of Canadian Millennials, those born between 1980 and 1994. Social values research is necessary because, although Millennials can share common experiences and aspirations based on their stage in life, they cannot be lumped by demographic characteristics such as age, gender, region, or socio-economic status. Millennials or Generation Y are optimistic in general, feel capable of navigating change and complexity, and feel good about their personal prospects for the future.

The members of this generation have expressed themselves online for almost as long as they can remember—and their values register a strong attraction to creativity and self-expression. One way they express themselves is with the things they buy, own,

and wear. This generation connects deeply to brands, and when they find a product or company they believe in, they're not shy about promoting it to friends.

The study explored their social values with a focus on their life goals and what it means to be an adult. The research also explored their career aspirations, work experience, and political and social engagement. There were six segments identified: Stoic Independents, Engaged Idealists, Mainstream A-Listers, Diverse Strivers, Critical Counterculturists, and New Traditionalists. Check out the online quiz at **https://socialvaluesquiz.environics.ca/** to find out which social values segment you belong to based on your year of birth and generational group.[13]

Pitney Bowes PSYTE HD also provides granular segmentation data through its segmentation system, which results in 57 unique lifestyle clusters. Postal code detail helps marketers discover untapped markets, finesse the targeting of their marketing campaigns, launch new products in appropriate markets, design cost-effective mailing and sampling programs, streamline retail offerings, and select the most profitable locations for new stores, restaurants, and retail developments.[14]

Manifold Data Mining is another reputable service provider in the segmentation analytics area. It, too, provides data down to the postal code level. It uses census data as well as statistics from Citizenship and Immigration Canada, Health Canada, Industry Canada, Bank of Canada, real estate boards and companies, provincial ministries of health, Numeris Canada, and Manifold proprietary databases.[15] The Marketing Matters box, **What Is Pickleball and Why Do People Love It?** examines how one company takes advantage of segmentation analytics.

Marketing Matters

What Is Pickleball and Why Do People Love It?[a]

Move over, tennis players: Pickleball people are taking over the courts.

The fact that it's so easy to pick up is a big reason the sport has grown so much in recent years. Pickleball courts are a quarter the size of tennis courts, and since players have to move far less than many sports, the game caught on among retirees. It originated 50 years ago in Seattle, Washington. Snowbirds began taking it back to Canada. Carla Anderson, the executive director of Pickleball Canada, says that it didn't catch on big until the pandemic lockdown in 2020.



©ZUMA Press Inc/Alamy Stock Photo

Often played in mixed doubles on outside courts, pickleball offered a combination of exercise and a social outing during a time when we were all otherwise stuck indoors. A survey commissioned by Pickleball Canada in January 2020 estimated 350,000 people played the sport across Canada. When the organization conducted the same survey two years later, that number had nearly tripled, hitting a million. While once seen as a sport mostly for retirees, pickleball is now seeing the biggest growth in players 18 to 34 years old.

Pickleball is very popular with older adults because it is fast-paced and low-impact, and anyone who has played any racquet sports can quickly catch on. The game is a combination of tennis, badminton, and table tennis played on a badminton-sized court with wooden paddles and hard whiffle balls. There are a few rules to learn, but most people can start playing within minutes of deciding it might be fun. It is fun, and very social as it is almost always played as doubles, and usually people rotate through a bracket, exchanging courts and partners each short match. The director of Pickleball Canada, however, does clarify that "Pickleball is easy to learn, difficult to master."

Pickleball started as a sport for baby boomers, but during COVID-19 it increased in popularity with all ages. The average age of players is 35 years old.

Pickleball has now moved into the realm of professional sports being televised on national television. In 2023 there were already 24 Major League Pickleball teams, with two men and two women per team. The first draft pick this year was a 16-year-old woman. The culture of positivity and inclusivity specific to pickleball has attracted 48 million players in the United States. Major League Pickleball teams have sold for several hundred thousand dollars to celebrities such as Lebron James, Tom Brady, Michael Phelps, and Eva Longoria. Catherine Parenteau, originally from Montreal, is among the most decorated professional pickleball players in the short history of the sport. She has 13 career titles and last year was ranked number one in singles.

This is where Bryan Banerd of Vernon, British Columbia, comes into the story. Shortly after picking up a racquet in 2012, Bryan realized that pickleball was going to be the next big thing, so he opened Pickleball Depot to supply Canadians with equipment. What started as an online pickleball equipment retailer soon became the largest pickleball multi-brand retailer and wholesaler in Canada. The growth of the sport soon had the company spinning off a new division, Apex Pickleball, to manufacture affordable equipment for the Canadian market. The ultimate goal is to share the joy of pickleball with a wider audience.

Pickleball Depot has a chain of distributors throughout Canada and a super-efficient distribution team out of locations in Kelowna and Vernon BC. Bryan's daughter Cara has taken over the day-to-day operations of the company, leaving Bryan to follow his passion of playing pickleball and coming up with new and innovative ideas for Pickleball Depot.

Now it just needs more courts in Canada to meet the high demand and also better recognition, maybe someday as an Olympic sport.

Questions

1. What are some things that the pickleball community can do to appeal to a younger demographic?

2. How might social media be used to promote the sport?

Students are advised to visit the websites of these two analytics companies to review samples of the rich data that is available for marketers. While Internet sites can change, the following websites currently provide a solid understanding of what data is available from these companies:

- Navigate to the PRIZM5 section of the Environics website at **www.environicsanalytics.ca/prizm5** and enter a postal code to review an overview of the cluster information.
- Navigate to the Consumer Lifestyle Clusters information at the Manifold Data Mining website at **manifolddatamining.com/data/consumer-lifestyle-clusters/** to review their description of the consumer lifestyle down to

six-digit postal codes.

Steps in Market Segmentation

LO 5 Segmenting a market and selecting target markets is an integral part of the overall marketing planning process (see the section on the planning phase of the marketing plan in Chapter 15). This section focuses on the process of market segmentation and target market selection. As part of the marketing plan, target market decisions and actions will be evaluated as part of the objective setting and evaluation phases.

Page 140

A marketer needs to combine strong analytical skills, sound strategic thinking, an understanding of the consumer, a vision of where the market is heading, and how this all fits with the company's direction. Segmenting a market requires both detailed analysis and large doses of common sense and managerial judgment. The process of segmenting a market for both the consumer market and business-to-business market is divided into six steps, which can be seen in Figure 6–3.

Page 141

Figure 6–3 The six-step process for segmenting a market

Steps in Market Segmentation

1. Identify consumer/customer needs and common characteristics in the market.
2. Cluster common consumer/customer variables to create meaningful market segments.
3. Estimate the size and feasibility of each segment.
4. Identify the segment(s) to be targeted.
5. Take actions with marketing programs to reach the segment(s).
6. Monitor and evaluate the success of these programs compared with objectives.

1. *Identify consumer/customer needs and common characteristics in the market.* This should be done from a consumer/customer perspective, looking at what drives the category and what future trends are evolving. Marketers should be able to easily identify common interests and evolving trends by analyzing what products currently exist in the category, which areas of the market are expanding and shrinking, and where consumer/customer

interests lie.

Looking to other countries sometimes provides interesting ideas on potential future interests. At this point, marketers will turn to market research studies and analytics data to see what the facts reveal. Database analyses may reveal some interesting facts about purchase patterns and point to segments that had not been considered. Sometimes, marketers may need to conduct further market research to clarify questions.

2. *Cluster common consumer/customer variables to create meaningful market segments.* A marketer needs to stand back from the market and look for clusters of products and gaps in the market that point to common consumer/customer interests, usage patterns, and prevailing attitudes. New areas of interest should not be overlooked as these may point to evolving segments. These clusters will identify the segments that exist in the market. Sometimes there is overlap between segments, and other times the segments are not well defined, but this is generally a reflection of the consumers/customers, who can be fickle and noncommittal.

   Segmentation analytics companies, as noted earlier, can provide marketers with data on market clusters, which, combined with marketing analytics, can help reveal profitable new approaches and opportunities.

   Companies may use their own data from customer relationship management (CRM) databases that group consumers by purchase behaviour and monetary value to a company. Software can perform an *RFM analysis* (recency, frequency, and monetary value) to rate customers on how *recently* products were purchased (recency), how *often* products were purchased (frequency), and the *dollar value* of the transactions (monetary value). Customers are then scored and rated to create segments that organizations use to tailor offers and marketing messages.

   Non-profit organizations frequently use RFM analyses to target those most likely to make donations, while CRM loyalty programs use loyalty cards to collect customer purchase data in order to customize offers.

   It is very important during this step to review the market from a consumer/customer perspective and not from a product perspective. For example, if we continue to review the laundry detergent market, we may group products into those that contain bleach and establish this as a segment. The segment is, in fact, better defined, and more meaningful to marketers, when identified as appealing to adults who want to fight tough stains. Laundry detergent customers can be grouped into potential segments based upon their attitudes, needs, and demographic profile. Three possible market segments are shown in **Figure 6–4**.

Figure 6–4 Identifying consumer clusters

Consumer Clusters Example: Laundry Detergents		
Consumer Cluster	**Cluster Attributes**	**Product Examples**
Clean Fanatics	Adults with families Want clothes to continue to look like new Stain removal is important Family-oriented	Tide
Scent Lovers	Want fresh-smelling clothes Cleaning is important	Gain
Gentle and Purists	Family-oriented Prefer gentle and pure products Want soft clothes Focused on baby clothes and other fine washables	Ivory Snow

Source: Amira El Deeb, "Class 5/1 Segmentation, Targeting, Differentiation & Positioning," *Marketers' Magazine* [blog], July 14, 2010, http://mmauc.blogspot.ca/2010/07/class51-segmentation-targeting.html.

3. *Estimate the size and feasibility of each segment.* Based on external data analysis and/or the use of segmentation analytics data, the size of the segment needs to be estimated. The marketer is then tasked with forecasting the sales potential for this segment, which should also consider anticipated competitive reactions.
4. *Identify the segment(s) to be targeted.* A target market segment must be selected carefully. Marketers should use the following criteria select a target market:
   - **Market size:** The estimated size of the segment is an important factor in deciding whether it's worth going after. Is the segment large enough to generate expected sales levels? Is the segment manageable so that the marketing budget is sufficient to support marketing initiatives?
   - **Expected growth:** Although the size of the market in the segment may be small now, perhaps it is growing significantly or is expected to grow in the future. For example, the market for environmentally friendly laundry detergents was very small a decade ago, but has grown significantly. Tide Coldwater was launched to meet the needs of this segment, far before the market potential had been reached.

- **Competitive position:** Is there a lot of competition in the segment now, or is there likely to be in the future? The fewer the competitors, the more attractive the segment is.

- **Compatibility with the organization's objectives and resources:** Will targeting this segment be consistent with overall company objectives, including sales and profit objectives, and market share targets, as well as corporate social responsibility initiatives and new business focus?
- **Cost of reaching the segment:** A segment that is inaccessible to a firm's marketing actions, or, if the cost of reaching that segment is too great, should not be pursued.

5. *Take actions with marketing programs to reach the segment(s).* Once a target market has been selected, a marketing plan needs to be developed and implemented. Essential decisions need to be made regarding the marketing mix (product, price, place, and promotion) that are consistent with the needs and wants of the target market. Specific objectives should be set to define success for the programs. Objectives should be evaluated regularly, and plans should be adapted accordingly.



Marketers segment the market to more effectively and efficiently reach their target markets.

©mstanley/Shutterstock

6. *Monitor and evaluate the success of these programs compared with objectives.* Marketers often work with financial analysts to determine the sales forecasts, costs, and profits realized in comparison with the cost and sales projections outlined in steps 3 and 5 of the segmentation process. **Chapter 9** reviews budgeting and profit-and-loss statements.

Positioning

LO 6 One of the central elements in marketing is product positioning. Marketers position products in the market to appeal to certain target groups and to present a particular impression relative to the competition. **Product positioning** refers to the impression of the branded product you want to establish in consumers' minds relative to their needs and also in contrast to the competition.

Companies generally use a combination of factors to position their products (always leading with the elements that are real); to differentiate the product; and to create long-term, memorable impressions with consumers. In this way, there are three basic factors, or combinations of factors, that tend to surface in product positioning:

1. *Image.* Products are often positioned as leaders, contenders, or rebels in the market, also taking on characteristics such as trusted, prestigious, or thrifty. TSN, for instance, positions itself with the "Champions Live Here" image to solidify its place as the leader in sports broadcasting.[16]
2. *Product attribute.* Products with features that differentiate them from the competition are often positioned on this platform, bringing product claims to the forefront. The fast-food restaurant Subway, for example, positions itself as having healthy and fresh sandwiches.
3. *Price.* Products with brand parity and little product differentiation may position themselves on a price platform. Retailers such as Walmart position themselves as offering the lowest retail prices ("Everyday low prices") to support its image in the market.

Marketers create positioning statements to clearly and simply outline the positioning of a product in the market. These statements are used to crystallize the image for marketers so that they can design an appropriate marketing mix. This is very important; otherwise, the product may present a confusing image to consumers who will refrain from buying it.

A **positioning statement** is a formalized statement that identifies the image a branded product represents in the market and what sets it apart from the competition. A positioning statement is generally included in a brand's annual marketing plan and its relevant strategic documents. It is important for all functional areas in a company to understand a product's positioning, as it drives activities throughout the organization.

"Positioning statements are simple, clear, and focused."

Positioning statements are simple, clear, and focused. They average a short paragraph and identify four elements: (1) the target market and need, (2) the branded product name, (3) the category in which the product competes, and (4) the brand's unique attributes and benefits (what sets the product apart from the competition and meets customer needs). Positioning statements should use the following format:

> *For (target market) who desire (target market need), (brand) is the (product category) that offers (product benefits).*

The positioning statement for Volvo could be:

> *For upscale families who desire a carefree driving experience, Volvo is a premium-priced automobile that offers the utmost in safety and dependability.*



How is Volvo positioned in the automobile market?

©Paceman/Shutterstock

This positioning statement directs Volvo's marketing strategy and focuses its product development efforts, such as the inclusion of side door airbags in its automobiles. The statement also directs Volvo's marketing communications message. Volvo advertising stresses safety and dependability—the two benefits that are the basis of its "Volvo for life" slogan.

Repositioning

Companies rarely change a product's positioning but do so when long-term changes in consumer attitudes or opinions of the brand require a shift in the brand's image to more accurately meet consumer needs and to reflect how it fits their lifestyle and needs. **Repositioning** is often implemented in stages over time with a refresh of a brand and the elements of its marketing mix. Many recent examples can be found in the fast-food industry, as restaurant chains struggle to keep up with changing tastes and emerging competitive threats.

McDonald's is a good example of a repositioning effort, from a dated, stale brand to one willing to adjust to consumers' changing needs. This resulted in increased sales and an increased stock price while investing in new technology initiatives, customer experiences, and corporate responsibility. McDonald's achieved this transformation through restaurant redesigns, menu updates, and a global restructuring.

The company focused on better ingredients, such as chicken raised without antibiotics and cage-free eggs. McDonald's Canada was the first company in Canada to serve Canadian beef from certified sustainable farms and ranches, beginning with its Angus lineup. It was one of the first to serve all-day breakfast and saw great success with its value menus.

McDonald's is also embracing new technologies with its kiosk ordering platform, its mobile order and pay app, and its delivery system through Uber Eats or SkipTheDishes. McDonald's is listening to its customers, and its goal is to be Canada's favourite place to eat and drink. It is also working to gain a greater share of the food-service beverage market.[17]



McDonald's Experience of the Future stores feature self-ordering kiosks that give customers more choice in their experience.

©S and S Imaging/Shutterstock

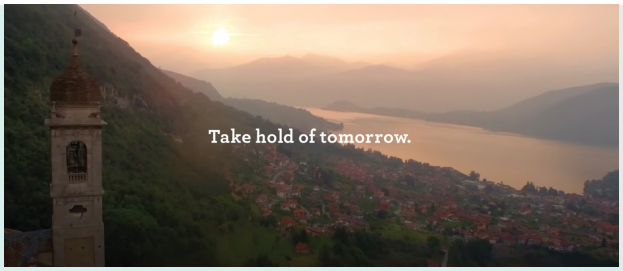
Increased competition in the burger/fast-food restaurant business has resulted in a change in positioning for A&W. The restaurant needed to expand its target audience to a younger customer base. Based on customer insights from the 25- to 44-year-old target market, A&W has differentiated itself with the quality of its ingredients, reduced packaging, and increased "authenticity," with actor-free ads to "keep it real." It was the first fast-food restaurant to serve Beyond Meat plant-based burgers in Canada.

Menu changes also include using only chicken that was antibiotic-free and hens that were vegetarian-fed to produce quality eggs. This repositioning, based on changing customer needs, created a unique and differentiated place in the fast-food restaurant market that has resulted in sales and market share.[18] For another example of repositioning, see the Marketing Matters box, **Not Your Parents' Financial Services–Questrade**.

Marketing Matters

Not Your Parents' Financial Services—Questrade[b]

Questrade is Canada's largest independent online brokerage. Doing business from Toronto since 1999, Questrade has over $30 billion in assets under management and is Canada's fastest-growing online brokerage. QTrade direct investing ranks #1 in the 2022 *Globe and Mail* digital broker ranking , and it has been named eleven times as one of the best-managed companies in Canada. Questrade grew by over 50,000 accounts in 2019 due to its very low fees, easy-to-use app, and advertising targeted to the Millennial generation.



Questrade ad to reinforce positioning.

©2023, Questrade, Inc. All Rights Reserved.

Take Hold of Tomorrow; an integrated brand campaign that speaks directly to Millennial investors about how the online brokerage can help them attain their seemingly impossible dreams, was launched in December 2022, just before RRSP season. The campaign ran across TV, digital, and social, including TikTok, where most of the campaign's Millennial target market spends its time.

It marks an evolution in the brand's marketing, moving beyond simply challenging traditional financial institutions to inspiring Canadians to take control of their finances to unlock their future goals.

"In response to the financial challenges and opportunities in today's climate, this evolution of our brand campaign focuses on value creation through lower fees for better returns and empowering Canadians through education—inspiring them to think differently in order to take control and achieve those seemingly impossible dreams." —Stella Ladizhinksy, director of brand and marketing strategy, Questrade.

Questrade services are created and designed for the Millennial generation who are comfortable with technology and the concept of using technology to manage their money. Questrade has two options for investors, depending on their time to spend and their comfort with investing. The first is self-directed investing where the user can invest in a variety of financial products with very low fees.

The second option for Questrade investors is Questwealth Portfolios, lower-fee portfolios managed by experts who create portfolios with specific goals for investors with less time and knowledge. Realizing that the Millennial segment was much more concerned about social issues than their baby boomer parents, Questrade created socially responsible portfolios that invest in ethical and clean businesses while still embracing the same financial goals.

Understanding the Millennial generation has helped Questrade become a Canadian success story, winning numerous awards, ranking highest among comparable companies, and syncing its values with those of its target market. Questrade partners with other Canadian companies to offer new services and gives back to the community by partnering with Canadian food banks.

Questions

1. How did Millennials' attitudes about financial strategies help Questrade position its brand?
2. How can a financial service such as Questrade create an emotional connection with the customer?

Positioning Maps

Positioning maps, also known as *perceptual maps*, are visual representations of how products or product groups are positioned within a category to consumers/customers. Positioning maps can visually represent categories within a market or, more specifically, product and brand offerings within a category. Positioning maps are useful tools for marketers as they can reveal gaps in the market where consumers may be underserved, while also highlighting the competitive nature of the category.

A key to positioning a product or brand effectively is discovering the perceptions in the minds of potential customers by taking three steps:

1. *Identify the important attributes for a product or brand class.* One might rush to immediately identify price as a key variable, but often this is a less important feature, evaluated by customers once a short list of attributes on which they initially evaluate a purchase are identified. Let's make this clear with two examples. First, in the laundry detergent market, scent and strength might be key attributes used by families evaluating different product offerings (price would come into play later in the purchase decision). In the second example, we can look at beverages. Research reveals that the key attributes adults use to judge various drinks are nutrition and children's drinks versus adult drinks, as shown in **Figure 6–5**.

2. *Discover how target customers rate competing products or brands with respect to these attributes*. Continuing with the beverage example, the factors of nutrition and adult/child–focused drink can be used objectively to evaluate products in the category. **Figure 6–5** shows where beverages are placed on the positioning map and how one is positioned against another. It plots milk, tea, sports drinks, fruit juices, and soft drinks relative to each based on nutritional value and whether they are appropriate for adults or children. For these key elements, we can see diet drinks are geared to adults, while milkshakes appeal to children.
3. *Discover where the company's product or brand is on these attributes in the minds of potential customers.* With a focus on chocolate milk, **Figure 6–5** shows that it is viewed as mainly a children's drink with moderate nutritional value. The makers of chocolate milk could consider repositioning themselves as an adult drink to expand their business.

Figure 6–5 A positioning map to suggest a strategy for positioning beverages

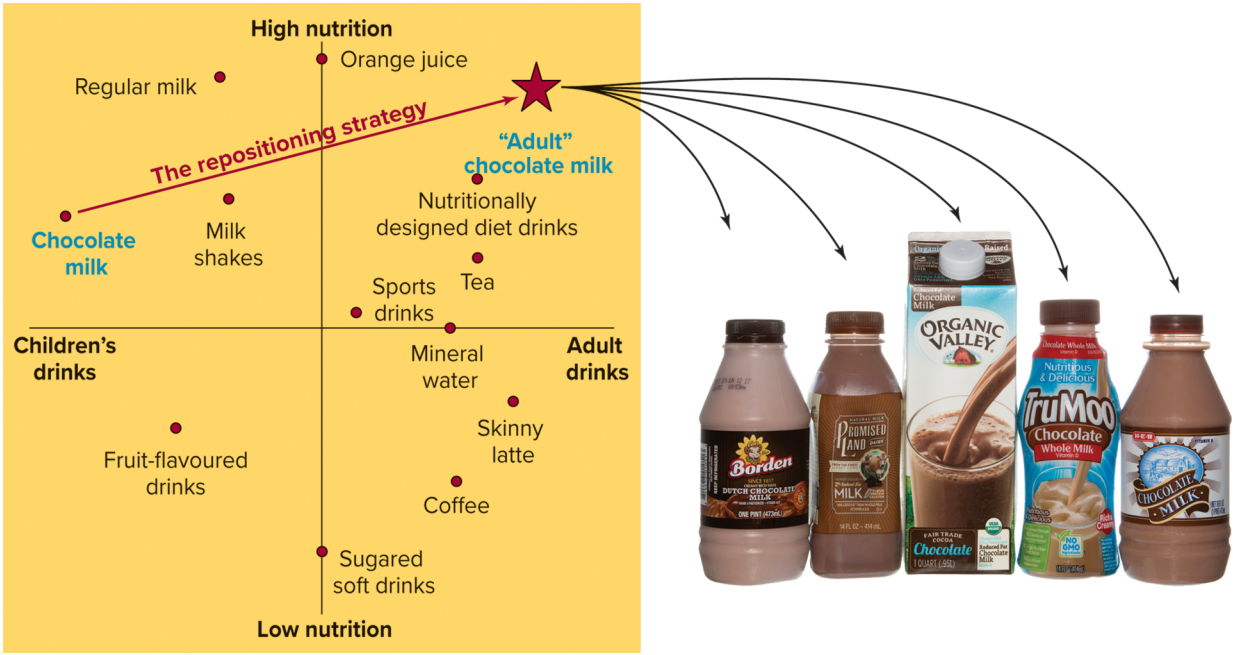


Photo: ©McGraw-Hill Education

Critical Thinking for Marketing

1. *What is product positioning and what is the purpose of a positioning statement?*

2. *Why do marketers use positioning maps?*

Summary...just the facts

LO 1 • Market segmentation involves aggregating prospective buyers into groups that have common needs and respond similarly to marketing programs.

- In the marketing world, there are two main market segments: (1) the consumer market and (2) the business market.

LO 2 • There are four different market segmentation strategies: mass marketing, segment marketing, niche marketing, and individualized marketing.

LO 3 • Marketers define their target markets by looking at four main variables: (1) geographics, (2) demographics, (3) psychographics, and (4) behaviouristics.

- Geographics looks at where a target market lives, such as a country, region, province, city size, and population density, such as urban, suburban, or rural.
- Demographics includes identifying ranges for age, gender, family composition, income, occupation, education, ethnic background, and home ownership.
- Psychographics involves understanding consumer attitudes to life, values, personalities, general interests, opinions, and activities.
- Behaviouristics looks at why consumers buy a product, the product benefit, how and when the product is used, and whether consumers are brand loyal in their purchase behaviour. Usage rate also plays a role in this information.
- Personas are character descriptions of a product's typical customers in the form of fictional character narratives, complete with images that capture the personalities, values, attitudes, beliefs, demographics, and expected interactions of a typical user with a brand.

LO 4 • Segmentation analytics analyzes market segments and provides data to help target specific groups with high levels of accuracy.

- Segmentation analytics data clusters consumers into lifestyle segments and provides information that details geographics, demographics, psychographic, and behaviouristic data by postal code, defined shopping areas, or neighbourhood.

LO 5 • Segmenting the market involves six steps that require strong analytical skills, sound strategic thinking, an understanding of the consumer, a vision of where the market is heading, and how this all fits with the company's direction.

- The six market segmentation steps start with identifying customer needs and common characteristics in the market, and continues by clustering consumer variables to create meaningful segments, estimating the size and feasibility of each segment, and finally identifying the target segment(s), taking marketing actions to reach the segment(s), and monitoring and evaluating the success of these programs compared with objectives.

LO 6 • Product positioning refers to the image of a branded product in the consumers' minds relative to the competition.

- Marketers create positioning statements to clearly and simply outline the positioning of a product.
- Repositioning includes a shifting of the product image and adjusting its marketing mix to more accurately meet consumer needs.
- Positioning maps are otherwise known as perceptual maps. They visually represent how products or product groups are positioned within a category to consumers.

Key Terms and Concepts...a refresher

behaviouristics

business market

consumer market

geographics

individualized marketing

market segmentation

mass marketing

niche marketing

personas

positioning maps

positioning statement

product differentiation

product positioning

psychographics

repositioning

target market profile

Hands-on... APPLY YOUR KNOWLEDGE

Target Market and Personas Assignment Go to one of the segmentation analytics websites outlined in the text. Enter your postal code to come up with a profile of the consumer who lives in your neighbourhood or select a consumer profile you find interesting. Create a persona for this consumer with an image of the consumer and a description, including gender, age, interests, hobbies, education, goals, jobs, influencers, media usage, technology preferences, fears, and concerns.

Chapter Vignette… ACTIVITY

This chapter's opening vignette examines how the Calgary Stampede segments its target audience for both the Canadian and international markets. Using the information in the vignette, as well as your own research, create a Consumer Cluster Attribute for the Calgary Stampede similar to **Figure 6–4**. The chart should include the following columns: Consumer Cluster, Cluster Attributes, and Marketing Examples (include promotion and events).

Marketing YOU

A positioning statement is a formalized statement that identifies the image a branded product represents in the market and what sets it apart from the competition. In an organization, it is important that all areas in a company understand a product's positioning as it drives activities throughout the organization. Similarly, your own personal mission statement can identify your image and what sets you apart from the competition. Your personal mission statement can direct the activities you undertake as you market yourself. For instance, determining what you decide to highlight on your social media platforms or which industry professionals or associations you might try to connect with.

Activity:

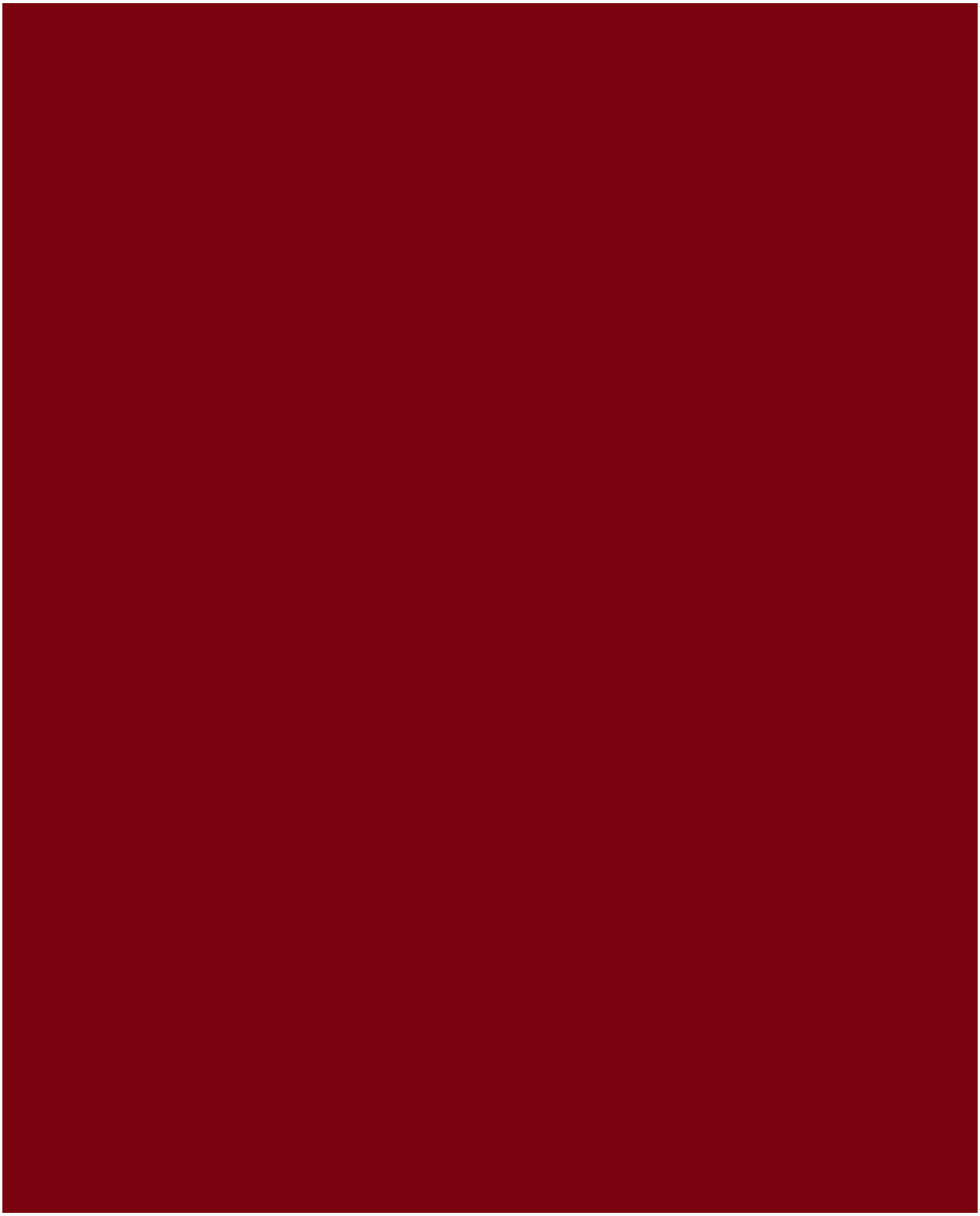
Your personal mission statement pulls together and captures the positive changes you want to see more of in the world, your strengths and your values all in one place. You can develop your own personal mission statement by answering the following questions.

1. Select one challenge you wish to tackle from the list of challenges that you identified in **Chapter 5**.
2. Select two strengths that you could bring to solving this challenge from the list of your strengths that you identified in **Chapter 4**.
3. Select two value words that you wish to see more of in the world from your list of value words identified in **Chapter 3**.

Now, using your answers above, use this format to write your personal mission statement:

I wish to address the challenge of _____. I can bring my _____ and _____ strengths so that we see more _____ and _____ in the world.

PART 3
DESIGNING MARKETING STRATEGIES AND MARKETING MI ELEMENTS



Chapter 7
Products and Brands



Endy

LEARNING OBJECTIVES

- LO 1 Distinguish between goods and services
- LO 2 Describe and apply the total product concept
- LO 3 Differentiate between products, product lines, and product mixes
- LO 4 Identify the ways consumer and business goods and services are classified
- LO 5 Explain the elements of branding and how these can be protected
- LO 6 Distinguish between different types of brands

CHAPTER OUTLINE

- Endy—building a brand
- Types of products
- The total product concept
- Product lines and mixes
- Consumer and business products
- Branding
- Types of brands

CHAPTER FEATURES

Packaging the Brand

Trends build on the importance of packaging to brand image and brand loyalty.

#protectyourbrand

The popularity of social media as a marketing tool requires an innovative trademark protection strategy.

Managing the marketing mix is no easy task. This chapter explores the areas that marketers consider when managing products and brands. Mike Gettis, the CEO and co-founder of Endy, and co-founder Rajen Ruparell are responsible for creating and building a product and brand rated as Canada's Best Mattress.[1]

After working in Europe, Gettis noticed that foam mattresses were far more popular overseas than in Canada. He came home with an idea: disrupt the one billion dollar mattress industry in Canada! If it worked in Europe, why would it not work in Canada?[2]

Upon his homecoming, he knew he needed a business partner. He needed someone who would complement his engineering background with marketing skills and help deliver capital. He partnered with Rajen Ruparell, a Canadian entrepreneur and one of the founders of Groupon. Together, they developed Endy Sleep in 2015, more commonly known as Endy.

Endy's goal was to serve Canadians better by making purchasing a mattress simple. They wanted to remove pushy sales people, awkward trials in mattress stores, and limit middlemen. As an ecommerce company, Endy allows customers to purchase their products online. The company compresses and ships their mattresses to customers' homes in a box. Customers have one hundred days to test their mattress. If they do not like it, they can return it for a full refund.[3]

Endy manufactures and ships products from within Canada. This empowers them to keep prices low as their footprint is small and reduces shipment time. All of this aligns with Endy's customer orientation.

In 2017, Endy was featured on CBC's *Dragons' Den*, a program where entrepreneurs pitch business ideas to successful investors. After a successful pitch, three offers came in—each at $1 million dollars. Gettis mentioned that his first year of sales was $1 million, second year was $10 million, and Endy was on track for $20 million in 2017. The business opportunity was attractive and ultimately, Endy came to an agreement with three dragons, Michele Romanow, Joe Mimran, and Arlene Dickinson who acquired 7.5 percent of the company for $1 million dollars.[4]

Since accepting the offer, Endy's sales have continued to grow. Gettis says that the success comes from consumer interest in products made in Canada and their direct-to-consumer model. This success led to the sales of Endy to Sleep Country Canada in 2018 for $88.7 million. However, this sale did not mean bringing Endy into Sleep Country retail outlets or an amalgamation of their operations. Rather, Endy continues to operate as a separate organization—their products remain online, as they always have, and Sleep Country continues to sell Endy competitor products, such as Casper, in their stores.[5]

As of 2023, Endy's product line has expanded to include bed frames, pillows, bedding, and décor. Their communication presence includes online advertising, social media, and celebrity recommendations. They also continue to receive accolades and supports such as an endorsement from the Canadian Chiropractic Association, an award for the Most Trusted Mattress in a Box product by BrandSpark, receiving a 4.9 star rating by consumers, and many more.[6]

reality CHECK

As you read Chapter 7, refer back to this vignette on Endy to answer the following questions:

- Describe Endy in terms of its core, actual, and augmented product offerings.
- Review the elements of a good brand name and evaluate the strength of the Endy brand name.

Types of Products

LO 1 One of the key functions of marketing lies in managing and developing products and brands that meet the needs of their target markets. As discussed in **Chapter 1**, in marketing, a *product* is a good, service, or idea consisting of a bundle of tangible and intangible attributes. Tangible attributes include physical characteristics such as colour or sweetness, and intangible attributes include those aspects of a product that can't be touched, such as how a night's sleep on an Endy mattress makes someone feel.

Products are available in both online and offline environments. In the offline environment, examples of products are fidget spinners, cars, or the services provided by a hairdresser. In the online world, examples are search engines such as Google, online gaming websites, and music streaming platforms such as Spotify. It is important to realize that with the widespread use of the Internet today, most offline products develop a strong web presence. The first point of contact for consumers with a brand is often online at a company website or on its social media pages. Endy has strong online presence: over 97,000 followers on Facebook, over 68,000 followers on Instagram, 36,000 followers on X (formerly Twitter), and 122,000 likes on TikTok.[7]



What type of product is being marketed by MADD?

MADD Canada

Products are divided into three main categories: (1) non-durable goods, (2) durable goods, and (3) services. A **non-durable good** is an item that does not last and that is consumed only once, or for a limited number of times. Examples of non-durable goods are food products and fuel.

A **durable good** is a product that lasts for an extended period of time and encompasses items such as appliances, automobiles, and tablets. A *service* is an intangible activity, benefit, or satisfaction, such as banking, conducting an online search, using cloud-based software to create websites or vlogs, visiting a doctor, taking a vacation, going to a concert, or taking a course. Canada has a strong service-based economy that continues to grow—reaching its highest historical point in 2022.[8]

In the service industry, it is useful to distinguish between a company's primary service and its supplementary services. An airline's primary service may be providing flights from one

location to another, but it also offers supplementary services such as food and drink, magazines, airport lounges, and in-flight entertainment. Supplementary services often allow products to differentiate their offerings from the competition while also adding value to consumers.

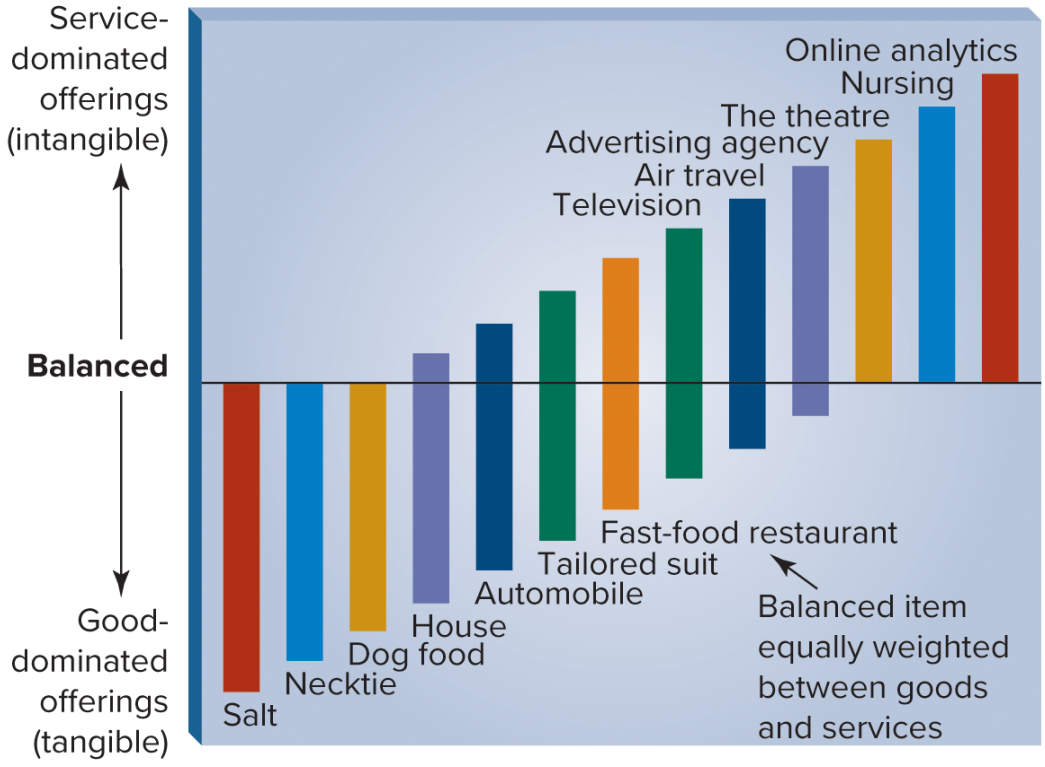
Common supplementary services for products can include product updates, free delivery, and payment terms as well as complimentary consultations, order-taking, and sales assistance. Companies also offer free trials, online support services, complimentary webinars, and elements such as free subscriptions as added-value services to its customers.

Many products cannot be defined as pure goods or pure services but are, in fact, hybrids—a combination of goods and services to offer a more competitive product to consumers. Many goods are augmented with intangible services such as warranties, websites, and online support.

Services also use goods to ensure a more complete offering to consumers. For example, a theatre provides an entertainment experience, but it also provides the customer with a booklet about the show; a travel agency that books travel also provides glossy catalogues of potential destinations. Importantly, the online environment is giving rise to new **virtual services** that exist only online and have no form of physical person-to-person interaction or tangible component. Travel sites, online gaming sites, and online analytics are examples of virtual services.

As companies look at what they bring to market, there is a range from the tangible to the intangible, or goods-dominant to service-dominant. This is defined as the **service continuum** and is demonstrated in **Figure 7–1** where the services continuum for a number of products is shown. Online analytics, nursing, and going to the theatre are examples of intangible, service-dominated offerings, while salt, neckties, and dog food are goods-dominated offerings. Fast-food restaurants are in the middle of the service continuum, offering a combination of both tangible and intangible goods and services; the food is the tangible good, while the courtesy, cleanliness, speed, and convenience are the intangible services they provide.

Figure 7–1 The service continuum



The Uniqueness of Services

There are four unique elements to services: intangibility, inconsistency, inseparability, and inventory. These four elements are referred to as the *four I's of services*.

Intangibility

Services are intangible; that is, for the most part, they cannot be held, touched, or seen before a purchase. In contrast, before purchasing a physical good, a consumer can touch a box of laundry detergent, kick a car tire, or sample a new beverage. Services tend to be more performance oriented and, as experiences, cannot generally be tried before purchase. Free trials are often provided to overcome this drawback. To help consumers assess and compare services, it is important for marketers to demonstrate the benefits of using the service. A spa may highlight a virtual tour of its facilities as well as include testimonials from customers to help the consumer evaluate the service. Online services often provide potential customers with free limited online trials or time-sensitive downloads as a means of testing out the service.



Barber providing a haircut to customers is intangible.

Jacob Lund/Shutterstock

Inconsistency

Delivering services is challenging because the quality of a service is dependent on the people who provide it, and it can therefore differ in consistency. Quality can vary with each person's capabilities, experience, motivation, and even personality. One day, a restaurant may have wonderful service, and then the next day the service may be very disappointing. Similarly, you may have a very enjoyable stay at one location of a Hilton hotel, but then have a terrible experience at another due to the varying standards of the staff at its locations. Companies try to overcome the inconsistent delivery of services by training employees in how to deliver a consistent quality experience.

Online products are often able to overcome issues of inconsistency through standardized software, consistent website interfaces, and reliable Internet servers that limit service disruptions.

Inseparability

A third difference between services and goods, and related to problems of consistency, is inseparability. In most cases, the consumer cannot (and does not) separate the deliverer of the service from the service itself. For example, the quality of a spa and its facilities might be excellent, but if you are not satisfied with the massage that you received or if it took too long to be registered and brought into the facility, this immediately reflects poorly on the spa.

Inventory

In many instances, the inventory of services is more complex than that of goods due to the nature of services. Inventory problems exist because services cannot necessarily be stored and accessed when in demand. For example, in the instance of sporting events, unsold tickets cannot be stored and sold at a later date; therefore, they represent lost revenue. Online services can often be stored and accessed at a later date, as evident with online virus scans that can be run as needed. Similarly, online movies are often configured to be conveniently viewed on demand to suit viewers.

> *"Many products cannot be defined as pure goods or pure services but are, in fact, hybrids–a combination of goods and services to offer a more competitive product to consumers."*

In the service industry, issues arise due to fluctuating demand throughout the day and the difficulty in assessing the requirements needed to service customers at peak times. **Idle production capacity** is expensive and arises when a service is available when there is little demand. Idle production capacity is formally defined as a situation when the supply of a service exceeds its demand.

To deal with this issue, the service industry often uses part-time employees who are paid an hourly wage and are scheduled to work shifts. This is clearly demonstrated in a grocery store setting where the number of cashiers varies depending on the time of day and day of the week. The number of cashiers at 2:30 p.m. during the week will be far fewer than the number of cashiers available at noon on a Saturday due to the numbers of people shopping at these times.

Critical Thinking for Marketing

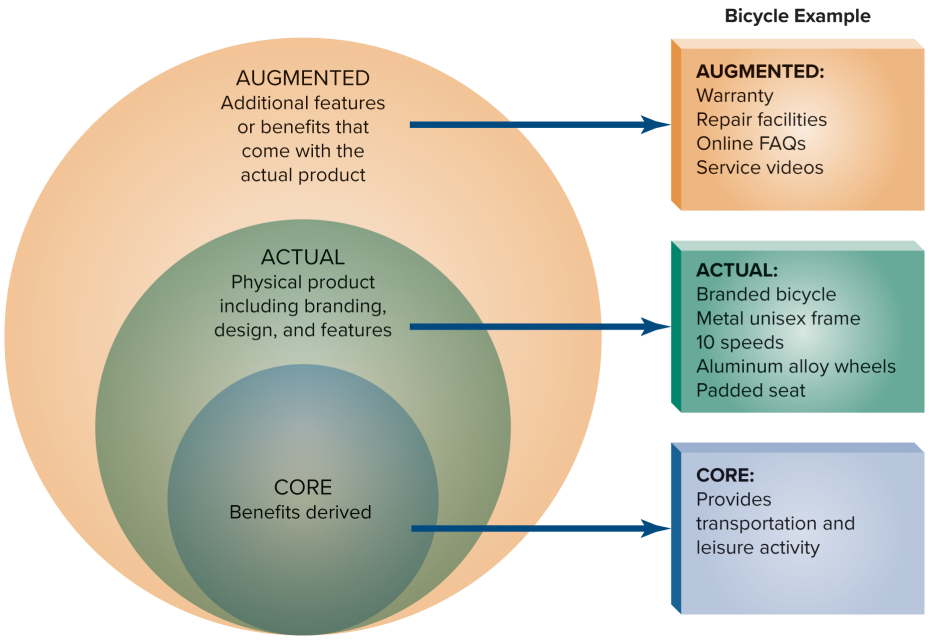
1. *Explain the difference between non-durable goods, durable goods, and services.*
2. *What elements make services unique?*

Product Elements

The Total Product Concept

LO 2 Marketers view products as having three different layers: the core product, the actual product, and the augmented product. The more complex and expensive the product, the more intricate the layers used to differentiate the product from the competition. Figure 7–2 shows how these layers work together.

Figure 7–2 The total product concept applied to a bicycle



The **core product** refers to the fundamental benefit that a consumer derives from having the product. In the case of a bicycle, the core benefit may be the transportation it provides, or the pleasure of participating in a leisure sport. For a service such as a massage, the core benefit may be the relaxation it provides or the medical relief it gives for body aches.

The **actual product** is the physical good or the service that a customer purchases when buying a product. It includes the product's branding, design, and features. With a bicycle, a customer purchases a piece of equipment, directly associated with a brand name, design, and features. With a massage, the actual product is the massage itself and the time spent having a trained and expert massage therapist relax a client's muscles. In this instance, one may think that branding has no role to play. On the contrary, in the case of a massage, the brand becomes either the name of the massage therapist or the organization providing massage services.

"Marketers view products as having three different layers: the core product, the actual product, and the augmented product."

Finally, the **augmented product** refers to the additional features and attributes that accompany a product. For a bicycle this may be a warranty, service facilities, delivery options, or videos on a website to help with small mechanical issues. Generally,

augmented product layers exist for more expensive purchases such as cars, computers, or TVs, and are not part of a simple purchase such as a chocolate bar or a newspaper.

Packaging and Labelling

Marketers need to pay close attention to a product's packaging and labelling, as well as the logos it uses to communicate its brand positioning to consumers. For many products, the packaging and labels are an integral part of the product; for other products (such as online products), there may be no packaging at all and their websites become a form of packaging, central to communicating the brand elements to consumers. Packaging can be a key source of competitive advantage since along with providing functional benefits, packaging can communicate information about the product and reinforce the brand image.

Function

First and foremost, packaging has functional benefits. It allows a product to be conveniently used, allows for better storage, protects a product that is fragile, improves product quality, provides a safety function, makes a product easier to use, and makes a product more efficient to transport. Take, for example, the influx of squeeze bottles for condiments such as ketchup, mayonnaise, relish, and even jams, making them more convenient to use. From a safety perspective, over-the-counter medications use safety seals and tamper-resistant containers, and best-before dates are provided for meat, dairy, and other perishable food products.

Communication

Packaging and labelling also serve as platforms from which to communicate detailed product information, offers, directions on usage, nutritional content, and other packaging requirements needed to meet legal obligations. Take, for example, these chips that have packaging that highlights both the product and its purpose. What an excellent way to communicate your product features by showing them directly to the customers!



Packaging that highlights the product and its purpose.

Frito-Lay North America

Brand Image

Packaging and labelling decisions are of paramount importance to a product's success, and marketers work hard to ensure that designs clearly reflect a product's positioning, its brand equity, and its image, which have all been nurtured over time. Today, brands take a comprehensive approach to their packaging design—and use their packaging as an opportunity to tell

their brand story, communicate their key messaging, and build a deeper connection with their ideal customers. Online, packaging has to carry more weight due to the lack of a storefront experience.

Branded packaging is especially important for subscription boxes, where the box itself becomes the only representation of the brand since the contents feature other brands and products. In this case, the packaging is a key component of the brand itself. Endy's simple and relatively small packaging aligns with their simple direct-to-consumer model.

Another example is the craft beer industry, where competition is increasing and the awareness of individual brands is quite low. The number of breweries in Canada has grown to over 1,100, driven by an influx of very small, low-volume producers. In this industry, branding plays an important role in getting customers to choose a specific brand of craft beer. Customers tend to sample a variety of craft beers, and since cans and bottles are usually sold separately, this is quite easy to do. However, this is not the only challenge, as customers generally do not remember the names of the beers. These facts are driving many craft breweries to focus on creating distinctive packaging and impactful brand names to catch people's attention and be remembered.

Companies are constantly reviewing the competitive landscape and making adjustments to ensure that their connections with consumers remain strong. Marketers must consider the balance between making a customer connection and other challenges, including handling environmental concerns, managing health and safety issues, and monitoring packaging costs. The Marketing Matters box, **Packaging the Brand**, describes some of the latest packaging trends.

Marketing Matters

Packaging the Brand

As customers walk down the aisle of a grocery store, scroll through the offerings on Amazon, or unpack a parcel delivered to their door, the first thing they will see is the product packaging. Packaging provides a myriad of functions and can be almost as important to the consumer as the product itself. A brand's packaging must not only be pleasing to the eye but also protect the product, communicate brand values and detailed product information, and align with the customers' attitudes toward waste and the environment.

Recent studies suggest that 81 percent of consumers tried a product due to its packaging, 63 percent repurchase due to packaging, and 52 percent have changed brand preference because of a new package design.[a]

In 2022, packaging continued the recent trend toward sustainability. In 2021, 40 percent of Canadian shoppers looking for holiday purchases chose to purchase products based on the sustainability of the packaging. With the growing sustainably preference, companies have have begun to provide more sustainable options for their customers. Packing that is made out of easily biodegradable products such as mushrooms, sustainably sourced paper, and recyclable containers are being seen on retail shelves across the country.[b]

Nestlé Canada, a leading consumer goods packaged goods company with over 2,000 brands, is aiming to make all its packaging over 95 percent percent recyclable or reusable by 2025. Some changes they have already made include:[c]

- Smarties, a Nestlé product, has packaging made from responsibly sourced paper.
- Boost meal replacement beverage is sold in recyclable Tetra packaging.
- Nestlé Good Start Infant Formula is sold in recyclable cans.



Smarties' packages are made from sustainably sourced paper.

urbanbuzz/Alamy Stock Photo

Packaging provides the marketer with the opportunity to catch the attention of the consumer and convey the image and positioning of the brand. With the increase in online shopping, packaging has become even more important as a protector of the goods as well as a communicator of the brand message. If the media is the message, then the packaging illustrates the brand's commitment to social responsibility by the design and the materials chosen for its packaging. Major brands are investing in package innovation to reduce waste, eliminate plastics, and reuse materials while supporting their brand values and building brand equity along the way.

Personalized packaging is also a growing trend. Digital printing makes it much easier to create personalized packaging. There are various levels of personalization, from adorning your Bud Light can with the colours of your favourite team, finding a Coca-Cola can with your name on it, or having your face on a bag of Frito-Lay chips. Recent studies have shown that 61 percent of consumers feel more positive about a brand when its messages are personalized, and 20 percent of millennials look for products that are personalized.

Understanding your customers and their attitudes, values, and desires will help you build packaging that not only communicates but also builds your brand equity by delivering products intact, reducing returns, and demonstrating your commitment to social responsibility.

Questions

1. Which packaging trend do you believe will have the most lasting influence?

2. Give an example of how packaging builds brand equity.

Product Lines and Product Mixes

LO 3 Marketers often manage groups of products that are closely related under an umbrella product line and brand name. A **product line** is a group of similar products that are closely related because they satisfy a similar need and are directed at the same general target market. Examples of a product line can be seen by examining Coca-Cola's product offerings. Coca-Cola Canada offers five product lines: sparkling, hydration, coffee/tea, juices/dairy, and alcohol. Its soft drink line, for example, includes Coca-Cola (and its different varieties), Sprite, and Fresca.[9]

Page 157

Looking to the service industry, online and offline products in this sector can also be grouped into product lines. The services offered by the Hospital for Sick Children, for example, can be grouped into three main product lines based on usage: in-patient hospital care, out-patient physician services, and medical research. Looking to the digital arena, the product lines for a digital brand such as Google can also be grouped into product lines based on usage. For example, one of Google's product lines consists of advertising services for businesses that wish to reach consumers through online ads. This product line currently includes Google search/display ads, YouTube ads, AdSense, analytics, and app campaigns.[10]

Page 158

Most organizations offer a **product mix**, which consists of all the product lines marketed by a company. While one can slice and analyze a company's product mix in many different ways depending on the depth of analysis required, it is often helpful to drill down into the product mix by looking at product lines and the products within each line.











The product mix for Procter & Gamble consists of baby, feminine, and family care; beauty; fabric and home care; and health and grooming product lines.

(Always): ©Keith Homan/Shutterstock; (Bounce): ©Keith Homan/Shutterstock; (Tide): ©Roman Tiraspolsky/Shutterstock; (Head & Shoulders): ©Robson90/Shutterstock; (Old Spice): ©Keith Homan/Shutterstock

A more in-depth analysis can then be conducted to pinpoint the specific products within each line, as shown in Figure 7–3. The **product mix width** refers to the number of different product lines offered by the company. For Procter & Gamble (P&G), the product mix width is four. The **product line length** refers to the number of product or brands in the product line. Using Figure 7–3, we can see that there are eight products listed in the beauty product line. Therefore, P&G Canada's beauty product line length is eight.

The **product line depth** refers to the number of different versions of each product sold within its product lines. For example, Dawn dish detergent offers approximately 18 different versions. Visit the Procter & Gamble website at **www.pg.ca** and examine its product mix width, product line length, and product line depth.[11]

Figure 7–3 Reviewing the Procter & Gamble Canada product mix

Product Mix for Procter & Gamble				
	← Width of Product Mix →			
	Beauty	**Baby, Feminine, and Family Care**	**Fabric and Home Care**	**Health and Grooming**
↑ **Product Line Length** ↓	• Hair Food • Head & Shoulders • Herbal Essences • Ivory • Olay • Old Spice • Pantene • Secret	• Always • Bounty • Charmin • Pampers • Tampax	• Bounce • Cascade • Dawn • Downy • Febreze • Gain • Ivory Snow • Mr. Clean • Swiffer • Tide	• Align • Braun • Clearblue • Crest • Gillette • Metamucil • Oral-B • Pepto-Bismol • Scope • Venus • Vicks • ZzzQuil

Source: "All Brands," Procter & Gamble website, accessed April 2020 at www.pg.ca/en-CA/our-brands.

Critical Thinking for Marketing

1. *What is included in the total product concept?*
2. *What benefits can be derived from a brand's packaging and labelling?*

Consumer and Business Products

LO 4 Products are classified as either consumer or business products depending on their usage. **Consumer products** are purchased by the ultimate consumer for their personal use, while **business products** (also called *industrial goods* or *organizational products*) are purchased either to run a business or to be used as a component in another product or service.

In many instances, the differences are obvious: Monster Energy drinks and The Calgary Stampede are examples of consumer products, while a cement mixing truck is primarily a business product. Some products, however, are both consumer and business products, depending on their usage. A Canon printer can be classified as a consumer product when purchased as a final product for personal use, or it can be classified as a business product when purchased by an organization to help run a business. Consumer and business products consist of numerous types of products, as explained below.

Consumer Products

The consumer market consists of four different categories of products: convenience, shopping, specialty, and unsought. These items differ in terms of the amount of effort that a consumer puts into making a purchase, and how often the items are purchased.

Convenience products are inexpensive items that a consumer purchases frequently with minimal shopping effort. If the product does not meet expectations, there is little risk because the product is inexpensive and easy to purchase. Examples of convenience products are bread, gum, or potato chips.

Shopping products are items for which the consumer comparison shops, assessing the attributes and prices of different products and brands. These types of products require a greater investment of shopping time, are more expensive than convenience products, and require a greater assurance of purchase satisfaction. Examples are jeans, airline tickets, and electronic items such as smartphones or televisions.

Specialty products are items that require considerable time and effort to purchase. They tend to be more expensive branded products in a category that are needed for special occasions. They include specialty brands and require high purchase satisfaction. Examples of specialty products include a Rolex watch or taking a cruise with Norwegian Cruise Lines.

Unsought products are items that the consumer either does not know about or is not interested in purchasing. An example of this is home insurance for people who do not own a home.



Rolex watches are specialty products.

©Papin Lab/Shutterstock

The manner in which a consumer product is classified depends on the individual. One person may view a camera as a shopping product and quickly visit a couple of stores before deciding on a brand to purchase. A friend, however, may view a camera as a specialty product, looking for a high-end camera for her photography hobby. This may result in extensive shopping at high-end camera shops for a specific type of camera.

It is important to understand that although many products are clearly separated into one category or another, people in varying stages of life will classify products differently. **Figure 7–4** generally compares the different types of consumer products and how their marketing mixes may vary, depending on the type of product.

Figure 7–4 Classification of consumer products

	Type of Consumer Product			
	Convenience	**Shopping**	**Specialty**	**Unsought**
Purchase behaviour of	Frequent purchases	Occasional purchases	Infrequent purchases	Very infrequent

	Type of Consumer Product			
	Convenience	**Shopping**	**Specialty**	**Unsought**
consumers	Little time and effort spent shopping	Comparison shopping needed	Time to search and purchase needed	purchases Some comparison shopping
Brand loyalty of consumers	Aware of brand, but will accept substitutes	Prefers specific brands, but will accept substitutes	Very brand loyal Will not accept substitutes	Will accept substitutes
Product examples	Newspapers, chocolate bars, soft drinks, and bread	Cameras, TVs, backpacks, and clothing	Wedding dresses, luxury items such as Rolex watches	Insurance products, such as life and disability insurance
Price	Inexpensive	Fairly expensive	Usually very expensive	Varies
Place (distribution)	Widespread, many outlets	Large number of outlets	Very limited distribution	Often limited distribution
Promotion (communication)	Emphasis on price, availability, and awareness	Emphasis on differentiation from competitors	Emphasis on uniqueness of brand and status	Emphasis on awareness

“Products are classified as either consumer or business products depending on their usage.”

Business Products

A major characteristic of business products is that their sales are often the result of *derived demand*; that is, sales of business products frequently result (or are derived) from the sale of consumer products. For example, as consumer demand for Tesla cars (a consumer product) increases, Tesla may increase its demand for paint-spraying equipment (a business product). Business products may be classified as production goods and services, or support goods and services.

Production Goods and Services

Items used in the manufacturing process that become part of the final product are production goods and services. These can include raw materials, such as grain or lumber, or component parts, such as door hinges used by Tesla in its car doors.

Support Goods and Services

The second class of business products is support goods and services, which are items used to assist in producing other goods and services. These include the following:

- *Installations* such as buildings and fixed equipment.
- *Accessory equipment* such as tools and office equipment, usually purchased in small order sizes by buyers.
- *Supplies* such as stationery, paper clips, and brooms.
- *Services* are intangible activities needed to assist a business in its operations and in producing its goods and services. This category can include transportation services, maintenance and repair services, and advisory services such as tax or legal counsel. This may also include online analytics to monitor website traffic, the creation of a website to support a business, or the use of an email database to send out newsletters.

Critical Thinking for Marketing

1. *What are the differences between consumer products and business products?*
2. *What are the four main types of consumer products?*
3. *What are the classifications of business products?*

Branding

LO 5 A **brand** is a name, phrase, symbol, or design uniquely given by a company to identify its product(s) and to distinguish the product(s) from the competition. Brand names and logos are often created in tandem, designed to visually represent the brand to consumers and to build brand recognition. Over the long term, the support that goes into marketing a brand results in strong brand associations and a certain degree of consumer loyalty. This creates **brand equity**, which is formally described as the value of a brand that results from the favourable exposure, interactions, associations, and experiences that consumers have with a brand over time.

Developing and nurturing a brand is an important factor in the marketing of a product. This involves creating a new brand name or selecting a name that already exists in a company's arsenal. A brand also needs to be supported with marketing activity, starting with creating its logo and designing its packaging (if relevant) and website, as well as developing new products and promotions to engage users and bring revenues and profits into the company. Research needs to be conducted periodically to help determine trends and requirements, while metrics and analytics are needed to determine success and areas of improvement.

Ipsos annually conducts its Most Influential Brands study, which looks at "key dimensions that define and determine the most influential brands in Canada." The key dimensions include: trustworthiness, engagement, leading edge, corporate citizenship, presence, and COVID-19. Ipsos conducts its own research and, with input from advertising agencies and associations as well as consumers, determines this annual influential brand study and rankings.[12]

Let's look at these brand elements in more detail:

- **Trustworthiness:** This is considered the most important element for a brand. It encompasses the consistently dependable image that consumers have for a brand and fosters their ongoing confidence in recommending it to others.
- **Engagement:** Brands that engage consumers encourage brand loyalty by creating interactions, so consumers can learn more about a brand and ultimately share it with others.
- **Leading edge:** Brands that stand out are often unique, innovative, and forward-thinking. Their approach tends to be edgy and somewhat different, and stands as a benchmark for other brands.
- **Corporate citizenship:** Brands with a caring image have the ability to connect with consumers by instilling pride.
- **Presence:** Brands need to have a high profile with consumers and stand out from the crowd. These brands make a statement about themselves and the people that use them. Often these brands have many advocates that support them.
- **COVID-19:** Brands that adapted to the pandemic and supported customers through it.

Ipsos's top ten most influential brands in Canada in 2021 were as follows:

1. Google
2. Amazon
3. YouTube
4. Apple
5. Facebook
6. Microsoft
7. Netflix
8. Visa
9. PC Optimum
10. Walmart

“ Brand equity is the result of considerable marketing investment and needs to be protected.”

Google is topping the list for the tenth consecutive year, while Amazon and YouTube fill out the top three. From this report, Ipsos confirmed that Google is quite influential across multiple generations. Trustworthiness and being Leading Edge helped propel Google to the top of the list. The organization also pledged to support Canadian news organizations through publisher agreements for the Google News Showcase.

MARKETING TIP

“Build something 100 people love, not something 1 million people kind of like."

- Paul Graham - Computer Scientist and Venture Capitalist[13]

Some insights from the report include:

- **Moments matter:** Companies must interact with customers individually and at the right time.
- **Trust matters**: Customers appreciate organizations that are seen to be earning Canadian consumer trust.
- **Helping matters**: Canadians expect that innovation exists as a means to support/help them—not as a vanity play.
- **True value matters**: When brands develop curated experiences that are personalized, customers react positively.
- **Relevance matters**: Canadians want brands to see what is important and meaningful to them.

Interbrand’s Top 10 Global Brands

Ranking	Brand	Brand Value ($USD millions)
1	Apple	482,215
2	Microsoft	278,288
3	Amazon	274,819
4	Google	251,751
5	Samsung	87,689
6	Toyota	59,757
7	Coca-Cola	57,535
8	Mercedes-Benz	56,103
9	Disney	50,325
10	Nike	50,289

Source: Interbrand, “Best Global Brand,” https://interbrand.com/best-global-brands/ (accessed January 13, 2023).

Many large, well-entrenched brands have been marketed around the world and become global brands. **Global brands** tend to enjoy strong brand equity due to their hefty marketing budgets and well-recognized trademarks.

Since 2000, Interbrand has conducted an annual study on global brands with publicly available financial records. To be included in this brand study, a brand needs to meet certain criteria: 30 percent of its revenues need to be from outside its home country; it must be present in Asia, Europe, North America, and emerging markets; it must have publicly available financial records; it must have future profit growth expectations; and it must have a public profile and awareness levels outside its own marketplace.

Interbrand's Best Global Brands 2022 identified Apple, Microsoft, Amazon, Google, and Samsung as the top five global brands in the world (see table). Its ratings look specifically at a brand's competitive strength, the role it plays in the purchase decision, and its financial performance.[14]

Brand Strategies

Brands are classified as either individual brands or family brands, depending on whether the name has been extended to cover more than one product category. An **individual brand** is when a company uses a brand name solely for a specific product category. Two examples are the Tide brand name, used by Procter & Gamble only for laundry detergent, and X, used solely for the micro-blogging social networking site.

A **family brand** is when a company uses a brand name to cover a number of different product categories. The brand name Crest, although initially used only for toothpaste, is now used by Procter & Gamble for toothpaste, dental floss, mouthwash, and teeth-whitening products. Crest extended the use of the brand name and used it to market other products; we call this a **brand extension**. Sony, Nike, and Microsoft are also examples of a family brand, where the company name is also the brand name, and all product categories launched by the company are using the corporate name.

A **sub-brand** uses both the family brand name and its own brand name. This is a common strategy in the automobile industry. For example, Porsche successfully markets its higher-end Porsche Carrera and its lower-end Porsche Boxster, with both products benefiting from the quality and performance associated with the Porsche name.



Proctor & Gamble has used a family branding approach to leverage the brand equity of Crest across a range of products.

2020 Procter & Gamble

The advantage of using an established family brand name for new goods or services is that brand equity is quickly transferred from the flagship brand to the new product, thus saving the company the marketing funds needed to build up this brand equity from scratch. A disadvantage of using a family branding approach is that if the new product does not live up to the image of the flagship brand, or does not share in its values, then the brand equity built up over time can be eroded for all products under this family brand name.

Protecting Brands—Patents, Copyright, and Trademarks

Brand equity is the result of considerable marketing investment and needs to be protected. Patents, copyrights, and trademarks are used to protect products, brands, and processes from unethical infringement and illegal use. **Patents** are used to legally protect new technologies, or improvements on products or processes. They provide a time-limited, legally protected, exclusive right to make, use, and sell an invention. Patents serve as a reward for ingenuity.[15] In Canada, patents currently protect owners for a period of 20 years after the patent is filed, providing that maintenance fees are paid during this time. After 20 years, the patent then becomes available to the market.

Copyrights are used to legally protect original written works, sound recordings, or forms of communication from being copied by others. It covers music, literature, and performances. In Canada, a copyright is protected for the creator's lifetime

plus 50 years.[16]

Trademarks are used by people or organizations to protect brand images, names, slogans, and designs from usage by others.[17] Trademarks are limited to a period of ten years from the date of registration, but can be renewed by their owners to maintain their investment. A trademark legally protects a brand name and its related logo, colours, fonts, and various combinations that exist for use in a particular category and in a part of the world.

If trademarks are to be used in foreign countries, the owner is wise to register an international application. Companies hold separate trademarks for each version of a brand name and its associated graphics and logo. For a brand to be trademarked, a company first conducts a trademark search to ensure that the trademark is not already owned by another company. If the trademark is available and not challenged, then the brand and its associated design and logos can be legally registered in the company name. Care must be taken to renew these trademarks as required to ensure that they do not expire.

Information on trademarks in Canada can be found at the Canadian Intellectual Property Office website at **www.cipo.ic.gc.ca**. Here you can easily conduct a search of the trademark database and its registered trademarks. The Canadian Intellectual Property Office provides information on which trademarks are registered, when they were registered, and who owns the trademark.



Scrabble protected its trademark from online knock-offs.

Jill Braaten/McGraw-Hill Education

Protecting a brand trademark has become even more important and more challenging in an increasingly online environment. Read the Making Responsible Decisions box, **#Protectyourbrand**, for more details and examples of how companies are struggling to keep up with their brands on social media.[18]

#Protectyourbrand

With the rapid uptake in social media usage and the subsequent popularity of digital marketing tools, brands need to be even more vigilant about protecting their intellectual property and ultimately protecting brand equity. With over 2.96 billion monthly users of Facebook, 368 million active X (formerly known as Twitter) users, and 349 million domain names registered globally, the world of social media and the Internet can be challenging for marketers. In the past, the protection of trademarks and copyrights was fairly straightforward, but with companies supporting dozens of different social media sites, websites, and tweets throughout any given day, there are many questions to be asked:[d]

- Does my company have rights to the social media usernames, hashtags, and domain names that are needed to promote the company's products?
- How can my company monitor social media for trademark infringement?
- Are trademark policies clearly outlined on the social media sites my company uses?

Cybersquatting is the registering of an Internet name with the intent of profiting on another company's name or defaming the company. Domain names using a trademark are protected in Canada by the Canadian Internet Registration Authority (CIRA), and complaints are resolved through the CIRA Domain Name Dispute Resolution Policy (CDRP) for .ca domain names. For example, if someone had registered a domain name who did not have any rights to the trademarked name, the rights to the domain name reverted back to the company that owned the trademark.

Sometimes organizations pay to secure their domain. The most expensive example recorded is CarInsurance.com at $49.7 million. The most expensive domain name in 2022 was business.com, valued at $345 million.[e]



Reckitt Benckiser has registered a hashtag for its Mucinex brand of cough and cold products.

Mucinex and the Mr. Mucus character are trademarks of Reckitt Benckiser LLC.

Companies are increasingly focusing on the value of a branded hashtag in their social media marketing campaigns. Hashtags can quickly spread globally, and since hashtags can be used by anyone, including competitors, they can create positive or negative viral discussions about a brand. Marketers are now including

hashtags in their brand strategy, which begs the question: Can hashtags be protected so that marketers can manage their brand messages?

Trademarking hashtags can be hit and miss, with fewer than 50 percent of hashtags meeting the criteria for trademarking, so a company called Twubs lets people register hashtags in case there are legal issues in the future.

The question is whether a hashtag has evolved further so that it functions as a hashtag trademark—or a "tagmark." The answer is an unequivocal yes. In both Canada and the U.S., hundreds of tagmarks have been registered by some of the world's biggest consumer products companies and some of the smallest start-ups. Hashtag-related claims have emerged in a number of trademark infringement lawsuits. To quote the Trademarks Office, "the addition of the # symbol or equivalent word to a clearly descriptive trademark will not render it registrable.... [E]ach trademark must be examined based on its own merit and trademarks consisting of, or containing, the hash symbol or word 'hashtag' will always be examined on a case by case basis."

In Canada, not only do we have guidance from the Trademarks Office, we also can see from reviewing the trademarks register that many hashtag marks have been successfully registered. A good example of this is Toronto-based influencer platform Hashtag Paid Inc. This company has successfully registered the trademark "#paid" in association with advertising agency services, and advertising and business management consultancy services, among other things.

The hashtag #paid illustrates how brands have developed a distinctive hashtag to be used as an identifier and a registrable mark. The world of hashtag trademarks continues to evolve, and the law is playing catch-up. We can expect that the number of hashtags being used and applied for as trademarks will increase as businesses start relying more heavily on social media as sales platforms and increase the scope of their branding efforts to incorporate the use of hashtags as identifiers of their offerings.

On social media sites such as X, Instagram, and Facebook, usernames are assigned on a first-come, first-served basis and cannot be reserved. Therefore, someone could take your trademark as a username, and unless they are misleading people to believe that they are affiliated with your business, nothing can be done. For example, if someone other than Coca-Cola registers cocacola as a username and then posts information about competitive products, which is then confusing to viewers and may be harmful to the Coca-Cola brand, Coke may have the grounds to submit a trademark infringement claim.

In the case of trademark protection on social media, prevention is the best policy. It is also recommended that companies develop clear policies on how to deal with each potential source of infringement. Here are some tips to protect your brand in social media:

1. Protect company names, logos, slogans, and brand names using trademarks.
2. Consult a professional regarding the need for and use of trademarks and copyright in social media.
3. Use defensive registration by registering all trademark domain names and usernames (including common misspellings) up front.
4. Create trademark use guidelines to ensure that the company is consistent in its use of trademarks, preventing confusion.
5. Regularly conduct searches (or hire a professional watching service), not only to detect potential trademark infringement, but to monitor potential defamation and to be aware of how your brand is being perceived.
6. Claim your trademarks as usernames as soon as possible.

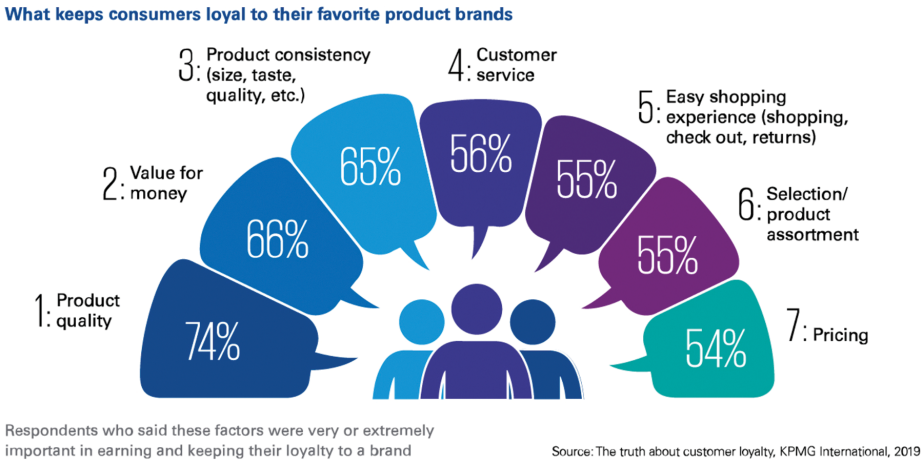
Marketers must include social media in their intellectual property strategy to maximize as well as protect their brand messaging and brand equity.

Questions

1. It is important for companies to monitor social media for trademark infringement. Can you suggest how this could be done?
2. While companies and brands have faced issues with cybersquatting, celebrities have, as well. What is the main motivator for cybersquatters?

Brand Loyalty

Just how much do consumers like and insist on a particular brand? Will they choose another if their first choice is not available, or will they insist on finding their brand? These are brand loyalty decisions. The degree of attachment that consumers have to a particular brand tells a marketer about their brand loyalty. **Brand loyalty** refers to the favourable attitudes that a consumer has over time toward a brand that result in varying levels of purchase insistence and commitment to the brand. Brand loyalty varies by product and from person to person. Marketers strive to have highly committed, brand-loyal consumers as this helps insulate their brand from competitive marketing practices.



Consumers reveal what keeps them coming back.

Consumers that readily switch brands depending on price generally have very little brand loyalty. Consumers with a stronger brand attachment may have some brand loyalty but may easily switch brands if one brand is not available. A brand's most loyal consumers will insist on purchasing their brand of choice and will postpone a purchase if the brand is not available. Most people have different degrees of brand loyalty depending on the product, brand, or category. Consider the products you purchase, and determine where you have strong brand loyalty and where you have very little.

"Marketers work to associate brands with specific personality traits and to help consumers make emotional connections with their brands."

Brand Personality

Marketers recognize that brands offer more than product recognition and identification. Successful brands take on a **brand personality** of their own—a set of human characteristics associated with the brand.[19] Research shows that consumers often associate particular human personality traits with certain brands and prefer those whose personalities are most appealing.

For example, Pepsi-Cola is seen as being youthful in spirit and exciting, while Dr. Pepper is viewed as being unique and nonconformist. The traits often linked to Harley-Davidson are masculinity, defiance, and rugged individualism.

Millward-Brown conducted a study of 500,000 people globally to determine how brands were aligned with personality traits. There were some cultural and regional differences that were noted. The most successful brands in Canada were described as "creative" and "in control." Brand personalities described as "different" were not as successful in Canada.[20] Through marketing and promotion, marketers work to associate brands with specific personality traits and to help consumers make emotional connections with their brands.

Brand Names

When we say Xbox, iPad, Duracell, Porsche, Coke, or Nike, we typically do not think about how companies determined these brand names. Selecting a successful brand name can be a long and sometimes expensive process. Companies can spend thousands of dollars developing and testing a new brand name. Here are some key points to consider when determining a good brand name:

- **The name should suggest the product benefits.** This is demonstrated by brand names such as Easy-Off (oven cleaner) and Chevrolet Spark (electric car), both of which clearly describe the product's benefits. Care should be taken to review how the brand name translates into other languages to avoid future pitfalls.
- **The name should be memorable, distinctive, and positive.** A number of new brands have been introduced over the last few years with distinctive brand names such as iPad, Xbox, Twitter (now X), and Google. All these names are very distinctive and were entirely unique and unknown when first introduced. Today, these brand names have high awareness in Canada and enjoy very strong brand recognition.
- **The name should fit the company or product image.** Brand names such as Duracell or Eveready clearly suggest that these products provide reliable and long battery life. Twitter (now X) expressed the short conversations (tweeting) that can occur on this platform of 140 characters.
- **The name should have the ability to be legally protected.** A brand name must be "trademarkable" to protect a company's investment. If the brand name is too generic, or the trademark is owned by another company, the proposed brand name cannot be trademarked. Increasingly, brand names also need a corresponding website address, which can complicate name selection, as there are over 360 million domain names registered globally.[21]
  An example that made international headlines was that of **MikeRoweSoft.com**. A 17-year-old teenager in Victoria, British Columbia, named Mike Rowe set up this website for his graphic design business. He thought that since his name was Mike Rowe, it would be humorous to add Soft to the end and have an interesting play on words. Once Microsoft became aware of the site, it quickly sent a letter to Mike Rowe demanding that the website be shut down immediately due to trademark infringement.

  In what has now become a page in Internet history, Mike Rowe eventually settled the lawsuit for an Xbox and a few games.[22] This case was a pioneer in the cybersquatting (registering an Internet name with the intent of profiting on another company's name) world, and on average, 3,400 cybersquatting cases are filed annually, with continued growth over the last few years.[23]
- **The name should be simple.** The brand names iPad, Xbox, X, and Google are all simple names to spell and remember. This makes them more memorable and helps build brand equity.

Critical Thinking for Marketing

1. *In what instances are patents, copyrights, and trademarks used?*
2. *Explain the concepts of brand equity and brand loyalty.*

3. *What are the components of a good brand name?*

Types of Brands

LO 6 There are three types of brands: (1) manufacturer's brands, (2) private-label brands, and (3) generic brands.

A **manufacturer's brand** is one that is owned and produced by the manufacturer. Gravol (dimenhydrinate is the name of the drug) is the manufacturer's brand created by Church & Dwight and sold to drugstores throughout Canada. Church & Dwight invested considerable resources, time, and money into the development and marketing of the brand.

When Gravol was launched in Canada, it was protected by a patent, but as mentioned earlier, a patent is restricted to a limited number of years, currently over 20 years in Canada. Once a patent expires, other manufacturers can produce a similar product. Church & Dwight has subsequently launched brand extensions with naturally sourced ingredients, as well as additional formats to extend the life of Gravol as a manufacturer's brand.

A **private-label brand**, otherwise known as a store brand, is owned by a retailer that contracts its manufacturing out to major suppliers and then sells the product at its own retail stores, under its own store-brand name. Often these products are manufactured in the same factories as the manufacturer's brand, Private-label products are very popular in Canada, with 21 percent of shopping dollars spent on private-label products. This is higher than the global average. Canadian customers believe that private-label products are good alternatives to manufacturer's brands, offering good quality and good value.[24]

A private-label brand provides a retailer with the opportunity to offer its customers a less expensive alternative to a manufacturer's brand. Private-label products are generally sold at prices 25 to 30 percent lower than manufacturer's brands. Because these store brands do not have to pay high listing fees and they have lower marketing costs, retailers often make more profit on private-label brands. This is an incentive to invest in the development of more private-label products.[25]



What type of brand is Mastercraft?

Used with permission of Canadian Tire Corporation

Examples of private-label products are Life brand, available at Shoppers Drug Mart; Selections and Irresistibles brands at Metro; and Mastercraft at Canadian Tire.

"A private-label brand provides a retailer with the opportunity to offer its customers a less expensive alternative to a manufacturer's brand."

A **generic brand** has no branding at all and is sometimes produced as a cheap alternative to a manufacturer's brand and to a private-label branded product. A generic brand is typically named using the main product ingredient, with its main point of difference being price.

Generic products are most commonly found in the pharmaceutical industry. Once the patent has expired for a prescription medication, many generic versions are created and sold to pharmacies by generic drug manufacturers such as Apotex Inc. or Novopharm. Once a generic is available, these cheaper versions are often substituted by pharmacists for the branded medicines when a prescription is filled. This can save governments, insurance companies, and consumers substantial sums of money.

Although a less expensive alternative to other branded products, a generic product lacks the brand equity and product recognition that is enjoyed by both a manufacturer's brand and branded private-label products.

Outside of the pharmaceutical industry, generic products can often be found at various retail outlets such as dollar stores where select products with no associated brand names are sold. Dollarama stores, for instance, sell plastic clogs that are direct knock-offs of Crocs but have absolutely no branding at all.

Critical Thinking for Marketing

1. *What are the advantages and disadvantages of using a family brand rather than an individual brand to launch a new product?*
2. *Explain the difference between a private-label brand and a generic brand.*
3. *What type of price differences would you expect to see for a manufacturer's brand, a private-label brand, and a generic brand for products within the same category?*

Summary...just the facts

LO 1 • A product is a term used in marketing to designate non-durable goods, durable goods, and services that are marketed. Some products are a combination of both goods and services.

- There are four unique elements to services: intangibility, inconsistency, inseparability, and inventory. These four elements are referred to as the four I's of services.

LO 2 • The total product concept includes the core product, the actual product, and the augmented product.

LO 3 • Product mix is the combination of product lines managed by a company. The product mix width refers to the number of different product lines offered by the company. The product line length refers to the number of product or brands in the product line. The product line depth refers to the number of different versions of each product sold within its product lines.

LO 4 • Consumer products are classified into convenience products, shopping products, specialty products, and unsought products.

- Business products are classified into production or support goods. Production goods include raw materials and components parts, while support goods include installations, accessory equipment, supplies, and services.

LO 5 • A brand is a name or phrase used to identify a product and to distinguish it from the competition. Brand equity is the result of the positive experiences consumers have with the brand over time and results in brand loyalty.

- Trademarks are used to legally protect brands, patents are used to protect unique processes, and copyrights are used to protect the written or spoken word.

LO 6 • Companies may restrict a brand name for use with a single product line, thus using an individual brand, or may extend a brand name to encompass a number of different product categories, resulting in the creation of a family brand and, in some instances, sub-brands.

- Brands are categorized as manufacturer’s brands, private-label brands, and generic brands.

Key Terms and Concepts...a refresher

actual product

augmented product

brand

brand equity

brand extension

brand loyalty

brand personality

business products

consumer products

convenience products

copyrights

core product

durable good

family brand

generic brand

global brands

idle production capacity

individual brand

manufacturer's brand

non-durable good

patents

private-label brand

product line

product line depth

product line length

product mix

product mix width

service continuum

shopping products

specialty products

sub-brand

trademarks

unsought products

virtual services

Hands-on... APPLY YOUR KNOWLEDGE

Branding Assignment In groups, pick a favourite company. Gather information on that company and its brands from the Internet, including the company's website and social media. Describe the product mix width as well as the product line length and depth. Choose one of the company's brands. Brainstorm with your group ways in which the company could improve brand equity and increase brand loyalty.

Chapter Vignette... ACTIVITY

Endy developed an innovative, direct-to-consumer brand from scratch. Carefully review the opening vignette and conduct your own research. Outline the strengths and weaknesses of Endy and list the external factors currently impacting the brand. What external opportunities and threats should Endy be most concerned about in the future?

Marketing YOU

A brand is a name or phrase that is used to identify a product, to distinguish it from the competition and allow it to be easily found by customers. You also have a brand, a way to identify and promote yourself in a distinct manner. When an employer is searching from someone to hire, you also want to be easily found.

Inbound marketing is when interested consumers find a product using online techniques. The online marketing tools that are available to organizations are also available to you to use, so that when employers are looking for future hires you can be found. One key social media platform to have a profile on is **LinkedIn**.

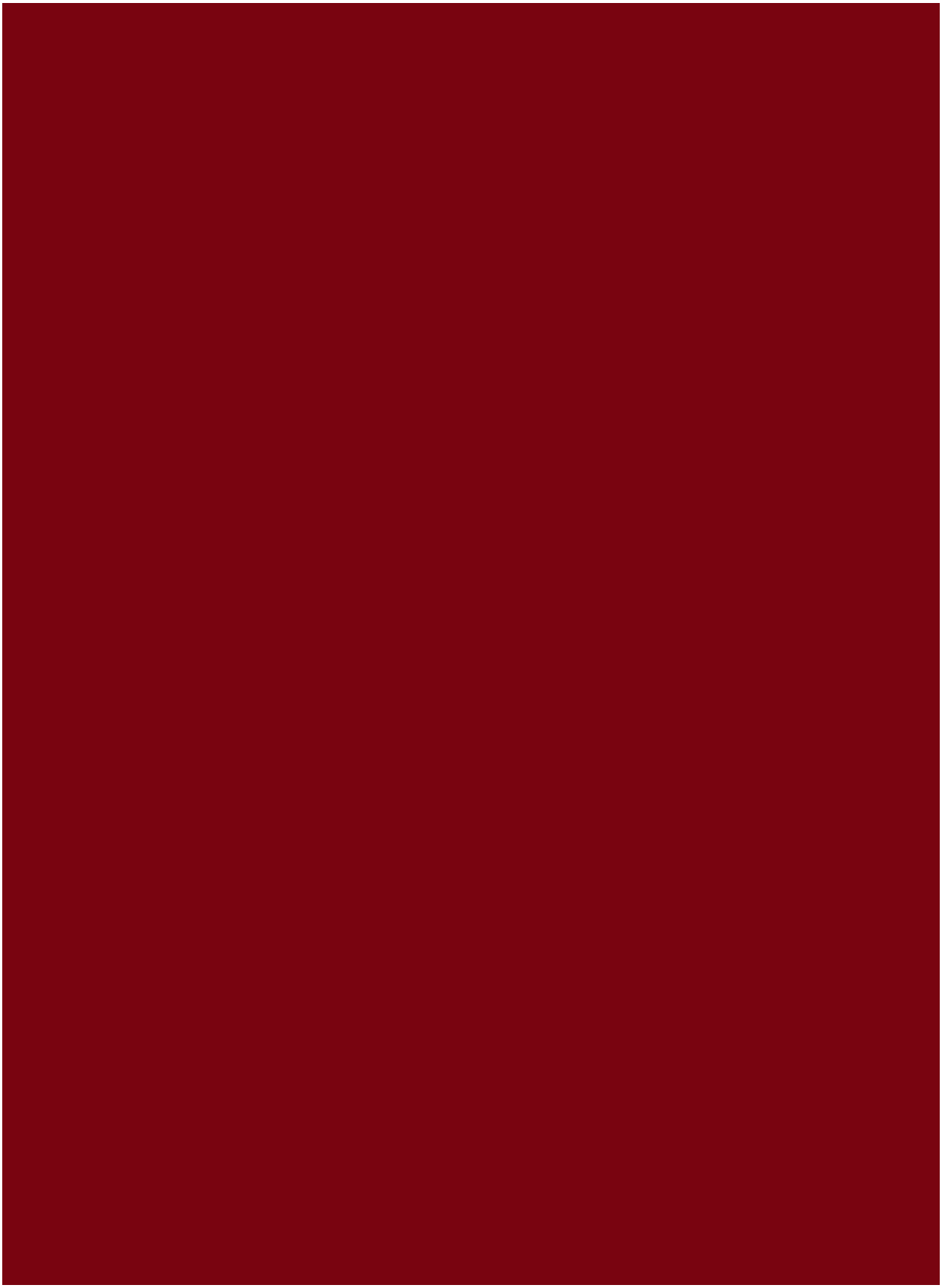
LinkedIn is a social media platform where you post a shortened version of your resumé, creating a digital profile. The digital profile includes your accomplishments, career history, and links to any school, work or volunteer projects that you have completed. Additionally it allows you to connect to industry professionals. According to the LinkedIn website, as of May 2023 there were 930 million members from over 200 countries and territories, including over 18 million members in Canada.[26] According to Omnicore, 40 million members are students or recent grads.[27] Many of those millions of members are senior level influencers and are in decision-making positions.[28]

In addition, 90,000 schools have a profile on LinkedIn. Reviewing a school's connections on LinkedIn is a great way to see what organizations alumni are working at. Remember, reaching out to alumni from your school provides you with opportunities to build your network.[29] When it comes to finding a job, more than 90 percent of recruiters used LinkedIn regularly and there are over 30 million companies online with millions of job openings posted.[30]

It is important to have a profile on LinkedIn as their members are the exact people you want to connect to.

Activity:

If you haven't yet, go to the LinkedIn platform to set up your LinkedIn profile. Include links to your projects and details on your volunteer roles in the Featured section. Keep your profile up to date. Remember to include a professional headshot, as it has been shown to generate 14 times more profile views.[31]



Chapter 8
New Product Development



JC Olivera/Getty Images

LEARNING OBJECTIVES

LO 1 Explain the concept of the product life cycle and the elements involved in each stage

LO 2 Describe the ways that product life cycles can be extended

LO 3 Differentiate between different types of new products
LO 4 Describe the adoption curve of new products
LO 5 Detail each step in the new product development process

CHAPTER OUTLINE

- LUS Brands
- The product life cycle
- Product life cycle strategies
- Types of new products
- The adoption curve
- Why new products succeed or fail
- Approaches to new product development
- The new product development process

CHAPTER FEATURES

Knix Underwear

How Knix Wear innovated and succeeded in a very traditional industry.

Stripe Climate Helps Companies Remove Carbon from the Atmosphere

How a payment company supports businesses to remove carbon from the atmosphere with just a few clicks.

This chapter looks at new products and how they are developed, launched, and managed over time. In 2015, Sahar Saidi found herself unable to find a job. She was a new graduate with a Global Executive MBA from the Rotman School of Business and already had a diversity of business experiences. She was disappointed but knew she needed to do something. With this, LUS brands was born, as Saidi says, "Out of neccessity."[1]

As a woman with curly hair, Sahar Saidi saw that there was a need for hair care products tailored to her and others with similar hair. She set out with a single goal: develop high quality products for this segment. She began to experiment with different product formulations on herself, friends, and family.[2]

Once Saidi got the product right, she started pitching her business idea to investors—without much success. These potential funders could not see how a new hair product would be successful in a market that was already saturated and fragmented.[3]

Without investor support, Saidi had to find creative means to access start-up capital. Through a line of credit and small business loan she was able to secure $100,000. Fifty percent of this was spent on inventory.

After her many struggles, LUS launched in 2017. The brand used a direct-to-consumer model where customers would order their products online and LUS would ship to customers' homes. In her first year, Saidi earned $1.3 million in revenue and in the second year her business grew by 750 percent.[4]

With this success, LUS was able to recruit investors to supply a million dollars of capital and act as advisors to Saidi.[5]

Today, LUS Brands sells products for wavy, curly, and kinky-coily hair. They have a Black Label Line that includes scalp serum, elixir oil, and hair perfume. LUS also sell accessories such as detanglers, claw clips, and hair dryers and diffusers.[6]

With over five years in the business, Saidi has been recognized as one of the top 40 under 40 leaders in Canada and was the RBC Women Entrepreneur Awards Start-Up recipient in 2020. Saidi's problem-solving skills and yearning to help people love their hair as it is continues the company's growth.[7]

***reality* CHECK**

As you read Chapter 8, refer back to the LUS Brands opening vignette to answer the following questions:

- What type of innovation is LUS Brands: a minor innovation, a continuous innovation, or a radical innovation?
- What stage in the product life cycle is LUS Brands in: introductory, growth, maturity, or decline?
- Considering the adoption curve (**Figure 8–6**), which group of consumers is LUS Brands aiming for with its targeted hair care products: innovators, early adopters, or the early majority?

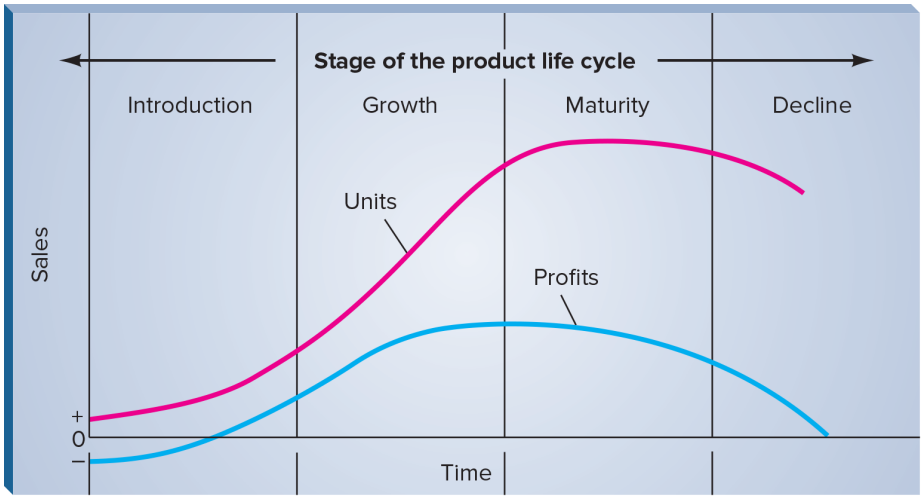
The Product Life Cycle

LO 1 The concept of the **product life cycle** describes the stages that a new product goes through, starting with its initial introduction into the marketplace and moving through to the stages of growth, maturity, and decline. The concept of the product life cycle is used by many marketers to help manage a product from its initial launch through to its eventual decline. Marketers try to manage products so that they extend the time until the decline stage or, perhaps, so they don't reach the decline stage at all. This is done by changing, updating, and repositioning products to meet evolving consumer needs and competitive challenges.

While all products follow this same product life cycle, products in the online and technology areas often experience shorter cycles that require frequent product updates to stay competitive. We see this frequently with social media sites such as Facebook, TikTok, and Instagram, which frequently add new features for its users, as well as new tools for marketers.

Figure 8–1 traces the curve of a product life cycle by plotting a product's sales and profits over time. The curves change in response to the competitive environment and to consumers' demand for the innovation.

Figure 8–1 Product life cycle



Initially, during the introduction stage, a product experiences minimal sales that are growing slowly, minimal or nonexistent profits, and very few competitors. Over time, propelled by marketing programs and product demand, a product moves into a period of rapid growth, and profit increases. As the competition becomes more severe, consumers are presented with competitive products, which cause a product's sales and profits to flatten out and eventually, if not addressed by a marketer, decline. The length of each stage in the product life cycle depends on the product, the category, and how it is being marketed.

A more detailed example of how products are marketed through their life cycles can be seen in the smartphone category. Apple launched the original iPhone in 2007, and it has changed the product's features, services, pricing, and marketing over time to stay relevant and competitive against Samsung, Google, LG, Motorola, and the variety of other smartphone manufacturers that have entered the market (see **Figure 8–2**).

In 2007, the original iPhone was revolutionary. At that time, the smartphone market was focused mainly on the corporate market, and features focused on email and work-related functions. The iPhone changed all that. While the typical smartphone functions were still available, the iPhone had a large colourful screen and touch features that eliminated the external keyboard. Apple targeted the consumer market rather than only the corporate segment. Initially, the Apple operating system was fairly basic and features were limited. Over time, the market became more competitive, with companies like Samsung introducing new models and features at a rapid pace.

Throughout its growth phase, Apple continued to improve its features, such as camera quality, memory, screen size, faster performance, and touch sensors. In addition, Apple placed a significant focus on the development of exclusive apps and services to increase the functionality of its devices. The number of apps available for the iPhone and Apple products in the Apple App Store has exceeded 3.59 million, and Apple has provided services such as iCloud, iBooks, Apple Pay, iMessages, and location-based services.[8]



Apple's iPhone continuously introduces new features and models to keep it relevant and competitive.

©NYC Russ/Shutterstock

At launch, Apple focused on generating awareness and demand for the iPhone. Advertising showcased the elegance of the iPhone, which was so different from the existing genre of smartphones. As the functionality of the iPhone improved during the growth phase, Apple used advertising to highlight its unique features and the evolution of the Apple App Store. Up to this point, Apple wanted to convince customers that they needed an iPhone. As the iPhone settles in to the maturity phase, ads now focus on confirming that the iPhone is an integral part of life, reinforcing to consumers that they have made the right decision by selecting the iPhone. This message is validated by the continuing evolution of differentiating features such as 5G and 3D depth sensing.

Figure 8–2 Apple iPhone product life cycle*

Apple's iPhone—Managing the Product Life Cycle (PLC)		
Product	**New Product Features**	**Price (US$)**
2007: Original iPhone	One model; 4, 8, 16 GB; 3.5" multi-touch screen; 2 megapixel camera iOS 3; no apps	$499–$599
2008/2009: iPhone 3 • iPhone 3G • iPhone 3GS	App Store; faster; less battery usage; ability to cut, copy, and paste text;	$199–$299

Apple's iPhone—Managing the Product Life Cycle (PLC)		
Product	**New Product Features**	**Price (US$)**
	visual voicemail; parental controls; photo geotagging; voice dialling; landscape keyboard	
2010/2011: iPhone 4 • iPhone 4 • iPhone 4S	Stainless steel design, dual-core processor, location-based systems, iCloud, Facetime, iBooks, HD video, iMessage	$199–$399
2012/2013: iPhone 5 • iPhone 5 • iPhone 5S • iPhone 5C	Passbook, improved Maps app, A7 chip provides two-times faster performance, fingerprint sensor, larger screen	$199–$399
2014/2015: iPhone 6 • iPhone 6 • iPhone 6 Plus • iPhone 6S • iPhone 6S Plus	Faster A8/9 processing chips, HD 4K video (6S), 3D touch (6S), improved iSight camera, Apple Pay, near-field communication	$199–$499
2016: iPhone 7 • iPhone 7 • iPhone 7 Plus	Water resistant, no headphone jack (new AirPods earbuds), stereo speakers	$649
2017: iPhone 8 • iPhone 8 • iPhone 8 Plus	Glass and aluminum design, Retina HD displays, A11 Bionic Chip, new single and dual cameras with support for portrait lighting, optimized for augmented reality, Super Retina	$699–$999+

Apple's iPhone—Managing the Product Life Cycle (PLC)		
Product	**New Product Features**	**Price (US$)**
	Display, TrueDepth camera system, Face ID	
2018: iPhone X • iPhone XR • iPhone XS • iPhone XS Max	Super Retina OLED display; improved scratch, splash, and water resistance; 12 megapixel dual camera system; TrueDepth camera system; faster Face ID; wider stereo sound; dual SIM support; A12 Bionic Chip	$749–$1,099+
2019: iPhone 11 • iPhone 11 • iPhone 11 Pro • iPhone Pro Max	Liquid Retina HD display; dual 12 megapixel ultra-wide and wide cameras; 12 megapixel front-facing camera; 4K video at up to 60fps; A13 bionic processor; up to 5 hours more battery life; stronger, matte-finish glass enclosure	$699–$999+
2020: iPhone 12 • iPhone 12 • iPhone 12 Pro • iPhone 12 Mini • iPhone 12 Pro Max	5G network connection; Magsafe wireless charging	$699–$1,099
2021: iPhone 13 • iPhone 13 Pro • iPhone 13 Pro Max	Super Retina XDR Display with ProMotion; A15 bionic chip; advanced 5G ultra wide camera	$1,399–$1,549
2022: iPhone 14 • iPhone 14	6.7 inch size; dual camera system; crash detection	$1,099–$1,249

Apple's iPhone—Managing the Product Life Cycle (PLC)		
Product	**New Product Features**	**Price (US$)**
• iPhone 14 P	with emergency SOS	

In the following sections, we look at each stage of the product life cycle in more detail to appreciate how marketers use this concept to manage their products profitably (see Figure 8–3). The product life cycle concept is used by marketers in many different ways. It is most often used to help manage products or brands and, in some instances, to analyze an industry in general.

Figure 8–3 Managing the stages of the product life cycle

Stage in Product Life Cycle	Introduction	Growth	Maturity	Decline
Competition	Few competitors exist	More competitors enter the market	Many competitors in the market	Reduced competition, with some competitors leaving the market
General marketing objective	Awareness	Product differentiation	Brand loyalty	Product rationalization
Product	Focus on a new product or brand	Introduce more features	Ensure full product line is available and innovative with new ideas	Retain only best sellers or discontinue
Price	Use a skimming or penetration strategy	Prices are slowly reduced	Price discounts are used frequently	Very low prices

Stage in Product Life Cycle	Introduction	Growth	Maturity	Decline
Place (distribution)	Limited distribution	Distribution is increased	Full distribution is achieved	Distribution is reduced
Promotion (communication)	Focus on building awareness with advertising	Emphasize points of difference versus the competition	Focus on pricing and sales promotion	Only minimal promotion, if any
Profit	Minimal profits, if any	Increased profits that reach their maximum	Maximized profits that level off	Decreasing and minimal profits

Introduction Stage

The introduction stage of the product life cycle occurs when a product is first introduced to its intended target market. During this period, profits are minimal, typically due to: (1) slow sales growth, (2) high product development costs, and (3) high levels of marketing spending needed to launch the new product. The key marketing objective during this stage is to create consumer awareness and to stimulate trial (or the first purchase) of the new product.

This stage is characterized by little competition and a lack of consumer awareness about the product. Radical new categories or technological innovations also come with the added challenge of having to educate consumers about the existence and relevancy of the category itself. In many cases, the money spent on advertising and promotion is focused on developing demand for the product class rather than just the brand, since there are few competitors established in the market. The other elements of the marketing mix are also carefully crafted to ensure that they are in step with the product launch and its consumers.

During the introduction stage, pricing can be high or low. A high initial price is called a **price skimming** strategy and is used by companies to help recover research and development costs. This approach takes advantage of the price insensitivity of innovators and early adopters. The price skimming strategy is very common in the electronics market, with products such as 4K

smart TVs and smartphones being launched at high prices to recover costs and then lowering their prices to attract a larger, more price-sensitive market.

If a company uses a low price to enter the market, this is referred to as a penetration pricing strategy and is used to encourage rapid acceptance of an innovation or to combat a competitive threat. Pricing strategies are discussed in greater detail in **Chapter 9**.

Distribution can often be a challenge during the introduction stage of the product life cycle because channel members may be hesitant to carry a new product that is unproven. **Listing fees** may also present themselves as an expensive proposition for marketers, who often experience retailers charging to recover the costs and risks of listing, shelving, and merchandising a new product in stores.

“Distribution can often be a challenge during the introduction stage of the product life cycle because channel members may be hesitant to carry a new product that is unproven.”

The iPhone, during its introductory stage, was launched at a high price, and Apple has focused on continuous innovation to protect its brand value and pricing.[9]

Growth Stage

The growth stage of the product life cycle sees an increase in competition and a rapid rise in sales and profits. The market is flooded with competing brands that thrust a category and its products into the forefront. This results in new consumers being enticed into the category and a resultant increase in sales.

In this competitive arena, marketers focus their programs on differentiating products from competitive offerings. New features are added to original designs, and product proliferation often occurs. Pricing levels are generally lowered to become more competitive and distribution increases. Promotion at this stage becomes more product specific, with advertising playing a key role in focusing consumers on particular brands. Profits often reach their peak at this stage due to more focused promotion and a decline in development and production costs. Marketing objectives focus on product differentiation.

Electric vehicles are currently in the growth state of the product lifecycle. Over the last few years, more manufacturers and brands have entered the market and thus the number of competitors, too, has increased.

Electric Cars Available in Canada in 2023

Brand	Number of Models
Audi	4
BMW	8
Chevrolet	2
Ford	7
Hyundai	5
Jaguar	1
Kia	4
Lucid	2
Mazda	1
Mercedes-Benz	2
MINI	1
Nissan	7
Polestar	4
Porsche	3
Rivian	8
Subaru	1
Tesla	7
Toyota	1
VinFast	2
Volkswagen	4
Volvo	2

Source: CAA, "Availability of EVs in Canada," https://evbuyersguide.caa.ca/available-in-canada (accessed January 25, 2023).

Electric vehicle products in Canada are beginning to differentiate based on brand, size, speed, mileage, and battery capacity. For example, the Tesla Model S has a range of 637 kilometres where as the Kia Niro has a range of 407 kilometres.[10]

“ The maturity stage of the product life cycle is characterized by a slowdown of sales growth and profit.”

Maturity Stage

The maturity stage of the product life cycle is characterized by a slowdown of sales growth and profit. Competitors are well established, and fewer new consumers enter the market. Marketing focuses on holding or gaining market share by continuing to differentiate the product and building on existing customer loyalty. Profits level off at this stage, often due to price competition. A major consideration in a company’s strategy in this stage is to control overall marketing costs by improving promotional and distribution efficiency.

Page 176

The maturity stage is generally the longest stage in the product life cycle, with marketers focusing efforts to ensure that the product does not go into decline. Marketers use short-term promotional tactics such as consumer promotions to encourage consumers to purchase the product. Product innovation can also become a priority as marketers try to reposition products in the market and revamp product lines to be more competitive and relevant to consumers’ needs. The purpose of this renewed focus on innovation is to try to take the product back into the growth or early maturity stages of the product life cycle, as we have seen with products such as the iPhone.



KD has launched additional varieties and formats.

(all images) ©Helen Sessions/Alamy Stock Photos

Numerous well-established products are in the maturity stage of their product life cycles; examples include Heinz Ketchup, Coca-Cola, Hellmann's Mayonnaise, M&M's, and Kraft Dinner (KD). What do marketers of these products do to maintain product relevancy in these categories and to stop them from going into decline? Packaging changes, product modifications, and extended-usage approaches are often used to keep them relevant.

Decline Stage

The decline stage of the product life cycle occurs when sales and profits steadily drop over time. Frequently, a product enters this stage when products become obsolete due to technological innovation or changes in consumer needs. Music streaming platforms such as Spotify and Apple Music replaced downloadable music files after downloadable music replaced CDs. Video streaming on platforms such as Netflix and Crave replaced DVDs after the discs replaced VHS.

Products in the decline stage tend to take a disproportionate share of management and financial resources relative to their future value. As a result, a company follows one of two strategies to deal with a declining product. It will either **delete** the product or **harvest** the product. Deletion is when a product is discontinued. Normally, decisions to discontinue a product are not taken lightly as there can be residual customers who still use this product. Harvesting is when a company keeps the product but reduces marketing support in an attempt to reap some minor profits at this stage in the life cycle.

Length of the Product Life Cycle

The length of a product life cycle varies according to the industry, the competition, technological innovation, and approaches to marketing the product. There is no set timeframe for a product to move through its life cycle. Generally, consumer products have shorter life cycles than business products. For example, some new consumer food products, such as Frito-Lay's Baked Lay's potato chips, moved from the introduction stage to maturity quickly.

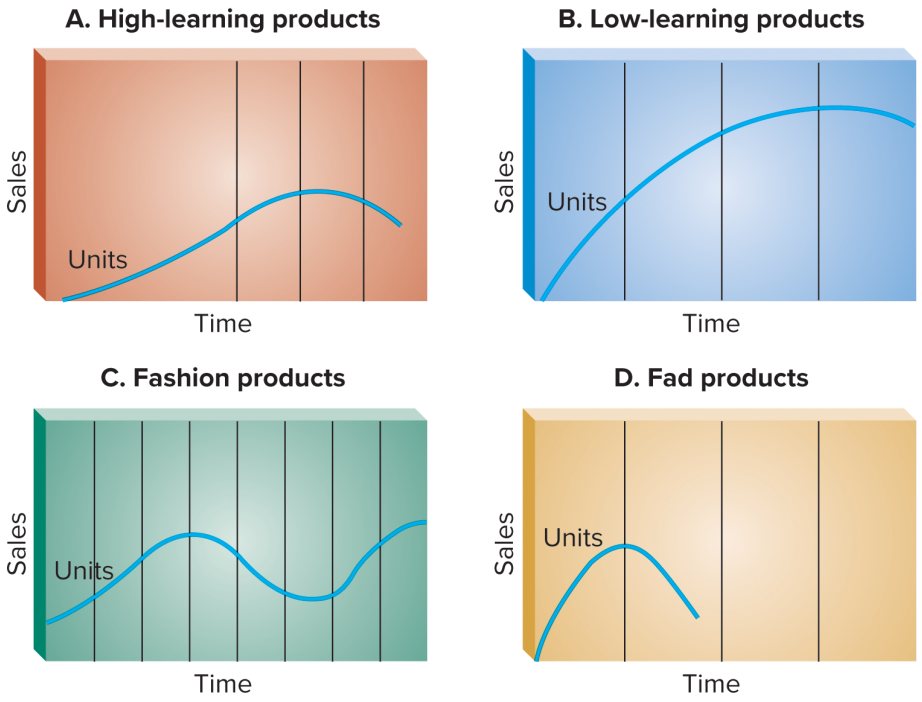
The availability of mass communication vehicles informs consumers immediately and shortens life cycles. Technological change shortens product life cycles as product innovation replaces existing products. For example, smartphones have largely replaced digital cameras in the amateur photography market. Other products, such as Heinz ketchup, have extended

product life cycles that have continued for years, driven by marketing approaches that keep the product relevant.

Shape of the Product Life Cycle

The generalized life cycle shown in Figure 8–1 does not always apply to all products. Figure 8–4 shows four product life cycle curves that apply to different types of products. These products and their life cycles can be categorized into four main areas: high-learning products, low-learning products, fashion products, and fad products.

Figure 8–4 Alternate product life cycles



A **high-learning product** is one where there is an extended introductory period due to the significant efforts required to educate customers on the usage and benefits of the product. Movie-streaming services are an example of such a product. A switch to online movie streaming from DVD or Blu-ray was a real shift in thinking for many consumers who were a bit slow to understand the advantages of the new technology, how to use it, and what to do

with their old DVDs and video rental memberships. It also required consumers to overcome issues of insufficient bandwidth, the necessity to use a computer or other device (prior to the introduction of smart TVs), and the fact that few movie titles were initially offered for streaming. It took considerable time for consumers and the industry to fully adopt this technology, resulting in an extended introductory period for movie streaming services.

In contrast, a **low-learning product** has a short introductory stage in the product life cycle. In these instances, the benefits of purchasing these products are self-evident and very little learning is required. An example of a successful low-learning product is the Apple Watch, which required little education for consumers. Consumers trusted the Apple brand and were familiar with its touch technology from use of the Apple iPhone.

The product life cycle for a **fashion product** is cyclical. The length of the cycle will vary, but it is relatively short, going from introduction to decline, generally within a two- to three-year period, only to resurface a few years later. Life cycles for fashion products most often appear in men's and women's footwear and apparel. Whether we like it or not, fashion trends such as bell bottom pants, crop tops, and leggings have gone away only to come back again years later.

A **fad** refers to a product with a very short product life cycle. It typically experiences immediate rapid growth, followed by an equally rapid decline, with no real maturity stage at all. These products tend to be novelties, such as the Pet Rock craze and Pokémon Go. Children's toys often fall into this category.

MARKETING TIP

"Don't find customers for your products, find products for your customers."

- Seth Godin, Executive and Author for Marketing

Critical Thinking for Marketing

1. *What are the four stages in the product life cycle? How do they differ in terms of sales and profits?*
2. *How do high-learning and low-learning products differ?*
3. *What is the shape of the product life cycle for a new smartphone in today's marketplace?*

Product Life Cycle Strategies

LO 2 It is important for a firm to manage its products through their life cycles, profitably extending and prolonging their relevance in the market. Product life cycles can be extended in a number of ways, namely by (1) modifying the product, (2) modifying the market, (3) repositioning a product, and (4) introducing a new product. It is important to realize that a combination of these approaches is most often used to keep products fresh and relevant.



Christie keeps its product lines fresh with new items and marketing campaigns.

©Keith Homan/Shutterstock

Modifying the Product

Product improvements and line extensions are often used by marketers to ensure that products remain competitive and address new trends in the market.

Product Improvements

Examples can be seen in the food industry, where marketers are addressing consumers' demand for healthier foods. For example, Tropicana juices responded to consumers' demand for functional foods by introducing the Tropicana Essentials Probiotic line, and Beyond Meat responded to the demand for more plant-based products.[11]

Line Extensions

Some of the most successful and long-lasting brands use line extensions to extend their product life cycles. They also include innovative marketing approaches to stay relevant to consumers. A **line extension** is the term used when a new item is added to an already existing product line, such as Cheerios adding Chocolate Peanut Butter Cheerios to its already well-established Cheerios product line. To capitalize on the green trend, Procter & Gamble introduced Tide Coldwater (for cold-water washing) and Tide Free & Gentle (free of dyes and perfumes).[12]



Procter & Gamble uses a line-extension strategy for Tide laundry detergent.

©Roman Tiraspolsky/Shutterstock

Modifying the Market

There are three key market modification strategies. Companies may decide that their current product is under-represented with certain consumer groups and may see an opportunity to target these consumers. In addition, marketers may try to increase a product's use within its existing customer group, which is an especially useful strategy where there is strong brand loyalty. Lastly, a company may develop new uses for a product, extending its utility to the customer.

Finding New Customers

Marketers are often cautious and somewhat reluctant to follow this approach as it can be an expensive proposition that yields few results. Harley-Davidson has tailored a marketing program to encourage women to take up biking, thus doubling the number of potential customers for its motorcycles. Lululemon, initially associated with women, has built a loyal men's following after introducing a men's line in 2016.[13]

Increasing a Product's Use

This approach encourages more frequent usage of a product by existing customers. It is typically used by products with a strong and loyal customer base. It has been a strategy of Campbell Soup Company. Because soup consumption rises in the winter and declines during the summer, the company now advertises more heavily in warm months to encourage consumers to think of soup as more than a cold-weather food. Similarly, the Florida Orange Growers Association advocates drinking orange juice throughout the day rather than for breakfast only.

Creating a New Use Situation

Finding new uses for an existing product is not a simple task, because many products do not lend themselves to this approach. This has been a strategy used by Rice Krispies cereal by promoting its use as a baking ingredient for Rice Krispies Squares. Follow the links at **www.kelloggs.ca** to see the extended usage recipes used to market Rice Krispies.

Another example is Arm & Hammer baking soda, which is sold as a baking ingredient but is also marketed as a product that eliminates odours, unblocks sinks, and cleans various household items. The Marketing Matters box, **Knix Underwear**, looks at how a new Canadian company created successful new products in traditional industries.[14]

Marketing Matters

Knix Underwear

Like many other successful Canadian start ups, Knix got a deal on CBC's *Dragons' Den*. The company has gone on to be a Canadian success story by developing innovative products in a very traditional industry that hadn't seen any innovation for decades.

In 2015, after creating some buzz in the underwear biz, Knix decided to develop an innovative, versatile, and wireless bra. Based on its research, the company learned that most women had owned 17 different bras, wore them a month between handwashings, and found them to be mostly uncomfortable.

With this knowledge in hand, and with high-tech design tools and fabrics, the 8-in-1 Evolution Bra was born. The team at Knix had two problems to solve. The first was to validate the concept: even though it had tested the design thoroughly with over 50 testers of all shapes and sizes, it still needed to prove that the market was ready for a completely new concept.

Secondly, it needed financing to do its first production run. Enter Kickstarter, a crowd-funding platform that allows a start-up to validate a concept by letting average people invest in a product that they find attractive. The magnitude of the investment indicates the potential demand in the market for this new product. Within a couple of months, the 8-in-1 Evolution Bra became the most-funded fashion product in the history of Kickstarter, raising over $1.1 million from 13,642 investors, proving that women were definitely looking for something new in bras.



Courtesy of Knix/MEGA/Newscom/GWGLA/Newscom

Knix founder Joanna Griffiths has continued to build Knix by listening to her customers and adding more products to both the bra and underwear lines. In 2019, Knix was estimated to have over $5 million in revenue, and word on the street was that it was looking for venture capital to take on Victoria's Secret in the lingerie market. Since the beginning, the Knix brand has made extraordinary products for ordinary people. The brand uses real people of all shapes and sizes on its website and relies heavily on reviews since, until recently, all sales had been online. It

goes to show that innovation in even the most traditional of industries can prove successful if you can solve a problem.

Questions

1. What product life cycle strategy is Knix an example of?
2. Why do you think this company was so successful?
3. Where is Knix in its product life cycle?

Repositioning a Product

Once a product has reached its maturity stage, it often needs an injection of newness to focus the market on the product and to provide it with a renewed competitive advantage. This can be achieved through repositioning the product to meet changing consumer needs, to react to a competitor's move, or to improve the value offered to the consumer.



Taco Bell Cantina

rblfmr/Shutterstock

Taco Bell, branded as a cheap Mexican fast-food option with its tagline "Yo Quiero Taco Bell," has undergone a brand repositioning. Part of its plan was to open new Taco Bell Cantina restaurants that include large open kitchens, new menu items, alcohol, and shareable appetizers. Its logo, still keeping the iconic bell, has shifted to use subtle yet contemporary font. They also experiment with fun menu options such as including Doritos as part of their taco mix. These changes have repositioned the brand as far more human, approachable, and fun.[15]

Introducing a New Product

Adding a new product to a line can provide the focus that a mature product needs, bringing it back in the product life cycle to either the growth or early maturity stage. Apple has done this successfully by regularly introducing new versions of its iPhones, iPads, and computers with updates to their technology and design. Regardless of the type of product, new products have a greater chance of success if they provide meaningful benefits to its target market.

Drivers of Product Success

Seventy percent of Canadians report they like to try new products. Canadians are also willing to pay a premium for local/domestic products and willing to shop at multiple retailers to get the products that they desire.[16]

The BrandSpark Best New Products Awards of 2020 echoed the drivers for product success. These annual awards include the opinions of over 12,000 consumers on new products in the consumer packaged-goods industry (health and beauty, food and beverage, and household care). The winning products all provide good value and are seen as innovative in their categories.[17]

Best New Product Award Winners
(non-exhaustive list)

Product	Category
Jamieson Apple Cider Vinegar Gummies Nuveev CBD Skincare Sensodyne Sensitivity & Gum Toothpaste	Health Personal Care
Toblerone Ice Cream Nescafé K-Cup Coffee Bon Matin Protein Enhanced Bread	Food and beverage products
Meow Mix Tasty Layers Cat Food Pampers 360 Cruisers Diapers Sponge Towels Ultra Pro Paper Towels	Household products

Source: *Grocery Business*, "2022 Best New Product Awards announced: BrandSpark," www.grocerybusiness.ca/news/2022-best-new-product-awards-reveal-better-for-you-foods-are-top-of-mind (accessed January 25, 2023).

Critical Thinking for Marketing

1. *What approaches can be used to extend a product's life cycle?*
2. *Christie's developed Fudge Covered Oreos. What strategy was used to extend the product life cycle for Oreos?*

New Products

Types of New Products

LO 3 New products are the lifeblood of a company, helping to make products relevant and to bring future revenues into the company. There are many types of new products, ranging from a slight product modification to a more radical innovation. How new products are categorized depends on the degree of newness involved, and how much time a consumer needs to learn to use the product. Based on these factors, we classify innovations as (1) minor innovations, (2) continuous innovations, and (3) radical innovations (see Figure 8–5).

Figure 8–5 Degree of product innovation

	Minor Innovation	Continuous Innovation	Radical Innovation
Definition	Requires no new learning by consumers	Changes consumer's normal routine but does not require totally new learning	Requires new learning and consumption patterns by consumers
Examples	New and improved toothpaste or detergent	Swiffer WetJet or wearable technology	Amazon Alexa/Google Home or self-driving cars or 3D printers
Marketing emphasis	Gain consumer awareness and wide distribution	Advertise points of difference and benefits to consumers	Educate consumers through advertising, product trial, and personal selling; public relations can play a major role

Minor innovations refers to minor product modifications that require no adjustments on behalf of the consumer. Consumers do not need to be taught how to use the product. Colgate Max Fresh KnockOut is an example of a minor innovation. The extra features in the new toothpaste do not require buyers to learn new behaviours, so effective marketing for a product like this is focused on generating awareness for the innovation.

"New products are the lifeblood of a company, helping to make products relevant and to bring future revenues into the company."

Continuous innovations refers to new products that include more than just a minor product improvement but do not require radical changes in consumer behaviour. Continuous innovations are not as common and require extensive product development by a company. Marketers must invest in marketing communication programs to launch these innovative products and to communicate their benefits to consumers.

Electric cars are an example of a continuous innovation. While consumers drive an electric car in a similar manner to gasoline-powered vehicles, there are some points of difference that require education and communication, such as shorter driving ranges, the availability of charging stations, and the uncertainty around the cost of operating an electric vehicle.[18]

Radical innovations are the least common form of innovation. They involve the introduction of a product that is entirely new to the market. The success of these products is often dependent on the education of the consumer, usually through advertising and/or public relations efforts.



Drones, which are unmanned aircraft, are an example of radical innovation.

©Doxieone Photography/Moment Open/Getty Images

Drones are an example of radical innovation. Drones are unmanned aircraft that were originally developed for use in war to surprise and attack the enemy. Unlike the remote control aircraft that came before them, drones can operate somewhat autonomously. Drones combine technology such as GPS, cameras, controllers, computer programming, and radio-frequency or Wi-Fi communication. Today, drones are disrupting the way business is done in many industries.

The commercial use of drones has evolved for package delivery, agriculture monitoring, real estate development, news coverage, law enforcement, and simply for entertainment. Drones represent an exciting convergence of several cutting-edge technologies. Regulators are struggling to keep pace. The significant potential dangers of flying drones, as well as privacy concerns, are creating an urgent need for the development of rules to govern drone use.[19]

Radical product innovation will continue based on technological innovation. According to *Forbes*,[20] 2023 should see the following tech influence the world:

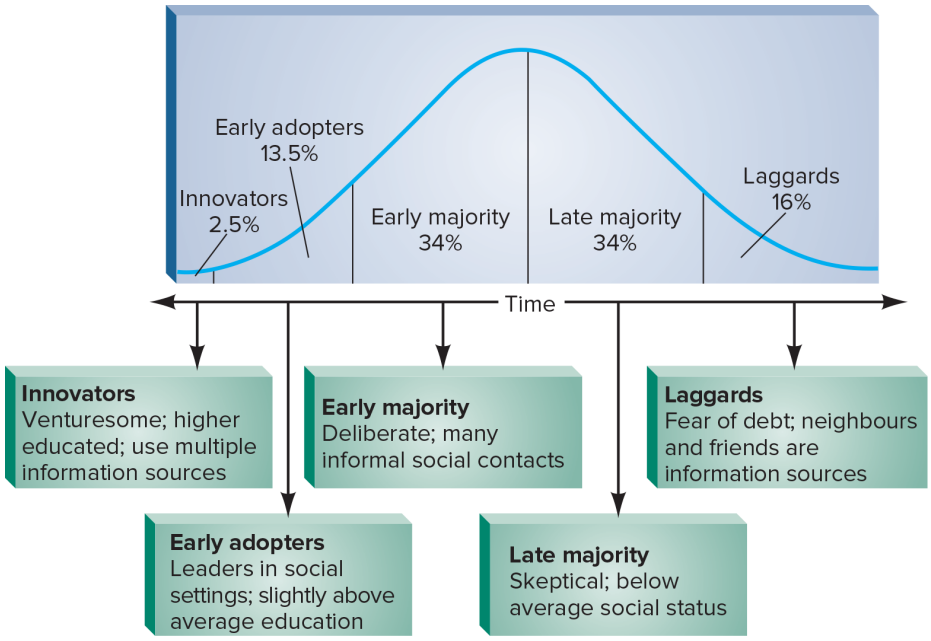
- Artificial Intelligence
- The Metaverse
- Web3 powered by Blockchain technology
- Blending of physical and digital world
- Editing nature through nanotechnology
- Quantum progress
- Green technology
- Robots becoming more human
- Autonomous systems
- Sustainable technology

The Adoption Curve

LO 4 The success of a new product and how quickly it is adopted by consumers is demonstrated in **Figure 8–6**, which shows the adoption curve. The **adoption curve** takes the point of view that some consumers are more ready than others to buy an innovative product. North American research (statistics vary across the world) shows that 2.5 percent of the population are innovators who are the first to purchase new products; 13.5 percent are considered early adopters, another group that will accept a new offering sooner rather than later.

In the middle of the pack are the early and late majority, each comprising approximately 34 percent of the population. Once accepted by the innovators and early adopters, the adoption of new products moves on to the early majority and late majority, who respond to the product being well-established in the market and are influenced by the purchase habits of their peers. Another 16 percent of the population are the laggards, who are either reluctant or late purchasers of the innovation and may in fact never purchase it.[21]

Figure 8–6 The adoption curve



For any product to be successful it must be purchased by innovators and early adopters. Often, marketers spend a lot of effort involving innovators and early adopters in their new product prior to launch. These consumers are the opinion leaders in a particular product category, and so their experiences can play an integral role in future demand for the product. Marketers then try to move the product from the innovators and early adopters through to the early majority so as to reap the benefits of increased sales and profits as soon as possible.

In this manner, marketers design marketing programs to target these specific groups in different ways and separately focus their marketing programs on the demographic and psychographic needs and interests of these target groups. There are several types of barriers that can deter a consumer from adopting a new product. Common reasons are usage barriers (the product is not consistent with existing usage habits), value barriers (there is no incentive to change), risk barriers (the existence of physical, economic, or social risks if the product is purchased), and psychological barriers (cultural or image differences).[22]

A product previously struggling to move along the adoption curve is the electric car. Electric cars earned less than 2.5 percent of global automobile sales in 2019. This number more than tripled to 8.57 percent in 2021. This rise, however, is still not strong enough to replace as many gasoline powered vehicles as advocates would like. A usage barrier exists because prospective buyers believe these cars are not compatible with existing driving habits. Contributing to this belief is the lack of charging stations across Canada and the perception that electric cars have very short travelling ranges.

There is also a value barrier. Some consumers remain unconvinced that electric cars are superior to vehicles with internal combustion engines. A risk barrier also exists due to buyer uncertainty about the actual cost of owning an electric-powered car.[23]

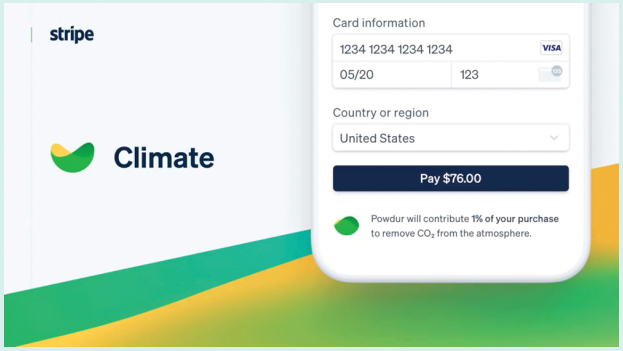
As the impacts of climate change emerge all over the planet, companies are looking for ways to support carbon neutrality and reverse the damage. Read about the experience of Stripe Climate in the Marketing Matters box, **Stripe Climate Helps Companies Remove Carbon from the Atmosphere**.

Marketing Matters

Stripe Climate Helps Companies Remove Carbon from the Atmosphere

As part of an effort to stop global warming, societies are starting to realize that reducing greenhouse emissions may not be enough; they also have to remove carbon from the environment.

Global companies, large and small, have been exploring means to help. As most of their core businesses are not carbon removal or greenhouse gas focused, companies were finding it difficult to meaningfully support the environment. Enter Stripe Climate.



Stripe Climate

© 2023 Stripe, Inc.

Stripe Climate provides a fully integrated suite of payment products to its customers. They support clients to receive online and in-person payments from their customers, limit financial fraud, and conduct billing and invoicing. All this is done with a twist. Clients can direct revenue to companies that reduce carbon emissions from the atmosphere.[a]

For example, Gurdeep's Online Hat Emporium (a fictional business) sells hats internationally. By using Stripe Climate, Gurdeep can direct funds from every purchase towards removing carbon from the atmosphere. If Mariah buys a hat from Gurdeep for $100, Gurdeep may elect Stripe to directly remove 1 percent of the purchase price for carbon removal. Thus, $1 of that purchase will directly go to help climate change.

Launched in October 2020, Stripe now processes more than $1 billion in payments annually, using over 135 different currencies and payment methods, and is available in over 45 countries.[b] As of 2022, Stripe had spent $15 million on carbon removal and is looking to multiply that by a factor of 60.[c]

Questions

1. Many companies are looking for ways to lower emissions and remove carbon. Do you think this will be a permanent change to the way business is done?
2. Can you think of any other products or services that are radically changing the way business is done?
3. How can Stripe help companies continue to support carbon reducing initiatives?

Critical Thinking for Marketing

1. *Describe the three types of product innovation and explain which ones are most common.*
2. *What type of innovation are electric cars?*
3. *How does the adoption curve apply to the diffusion of new products in the marketplace?*

New Product Development

Developing and launching new products is an expensive undertaking with a high risk of failure. Research costs are high, and the time and effort spent on developing prototypes and marketing materials are extensive. We are familiar with successful new products and brands such as Google, Xbox, Twitter (now X), and iPad, yet research has shown that only 15 to 50 percent of new products are successful. Success rates vary between industries, with consumer products experiencing the highest failure rates.[24]

Product failure can result in expensive product write-offs and a lack of future credibility in the market. Hundreds of thousands of dollars are often at stake. It is important at this point to remember that new products become successful over time and that marketers work to finesse these new products with upgrades and improvements that better meet consumer needs and expectations.

However, many product launches also fail for reasons spanning from an insignificant point of difference to an inadequate market distribution strategy (see **Figure 8–7**). There are many examples of product failure, even from very large companies. New Coke is a textbook example of a new product launch gone wrong. Introduced in April 1985 and rapidly removed from the market in July 1985, Coke failed to understand the intense loyalty of its customers for the original Coke.[25]

Figure 8–7 Avoiding new product failure

Why New Products and Services Fail	
Issue	**Potential Solution**
Insignificant point of difference	• Determine a distinctive and meaningful point of difference for the target audience. • Conduct research with consumers and monitor competitors' products/activities.
Incomplete new concept definition	• Identify consumer insights and clearly define the product's features and benefits. • Develop a clear positioning.

Why New Products and Services Fail	
Issue	**Potential Solution**
Insufficient market attractiveness	• Identify a target market (with a need) that is large enough and has growth potential to support the product.
Poor execution of the marketing mix	• Ensure the 4 Ps—product (including brand name and package), price, promotion, place (distribution)—are aligned and attractive to consumers. • Focus on gaining sufficient distribution to access consumers.
Bad timing	• Launch products when consumers are eager to purchase. • Monitor market conditions and competitor actions.

Source: Barbara Thau, "The Five Biggest Reasons Why Consumer Products Fail," **Forbes**, June 3, 2014, www.forbes.com/sites/barbarathau/2014/06/03/the-five-biggest-reasons-why-consumer-products-fail-according-to-a-retail-insider/print/; Joan Schneider and Julie Hall, "Why Most Product Launches Fail," **Harvard Business Review**, April 2011, https://hbr.org/2011/04/why-most-product-launches-fail.

The costs to an organization for poor quality can be staggering and include the labour, materials, and other expenses to fix the problem—not to mention the loss in sales, profits, and market share that usually result. Consider self-balancing scooters, commonly referred to as hoverboards. After gaining widespread attention with the media, as well as popularity with teens, hoverboards made by a variety of manufacturers were found to catch fire or explode. Needless to say, hoverboard sales suffered greatly as a result.[26]



Product quality has hampered the commercial potential of hoverboards. Sales plummeted after product safety issues were discovered.

©B Christopher/Alamy Stock Photo

In order to avoid expensive product failures, companies can use a number of different approaches when developing new products. These range from providing clear strategic direction to creating particular company structures to instituting rigorous product development processes. We look at these areas in more detail in the sections that follow.

Approaches to New Product Development

Strategic Direction

From a strategic point of view, companies can follow Ansoff's different approaches to growth (see **Figure 8–8**). It is somewhat dependent on the degree of risk and investment that companies are willing to take. The most common forms of growth take either a market penetration or product development slant, focusing on current consumers with promotional tactics (market penetration) or looking to develop a new product for these current consumers (product development). Higher-risk considerations include either a market development or diversification strategy, taking the more expensive approach of either targeting new markets with current products (market development) or moving into new arenas with totally new products (diversification). More information about these strategies is included in **Chapter 15**.

Figure 8–8 Strategic approaches to growth

	Products	
Markets	**Current**	**New**
Current	**Market Penetration** Finding ways to make current products appeal to current customers	**Product Development** Reaching current customers with a new product
New	**Market Development**	**Diversification**

	Products	
Markets	**Current**	**New**
	Reaching new customers with a current product	Reaching new customers with a new product

Company Structure

Companies use different structures to encourage innovation. Some companies use internal teams and external customers to help get successful new products to consumers. Many companies use a cross-functional team-based approach that includes representation from many departments across an organization, including marketers, regulatory experts, product developers, quality assurance specialists, and sales.

“New product development success ultimately requires the expertise of people with different specializations.”

Other companies may follow a more focused approach by centralizing product development responsibilities with one person (new product development manager) or to a full department. In other organizations, new product development is included in the role of the general marketer. In some instances, new venture teams are used to concentrate on all innovation projects for the company, which could include new products, new processes, or new business ventures.



Cross-functional teams reduce new product development time.

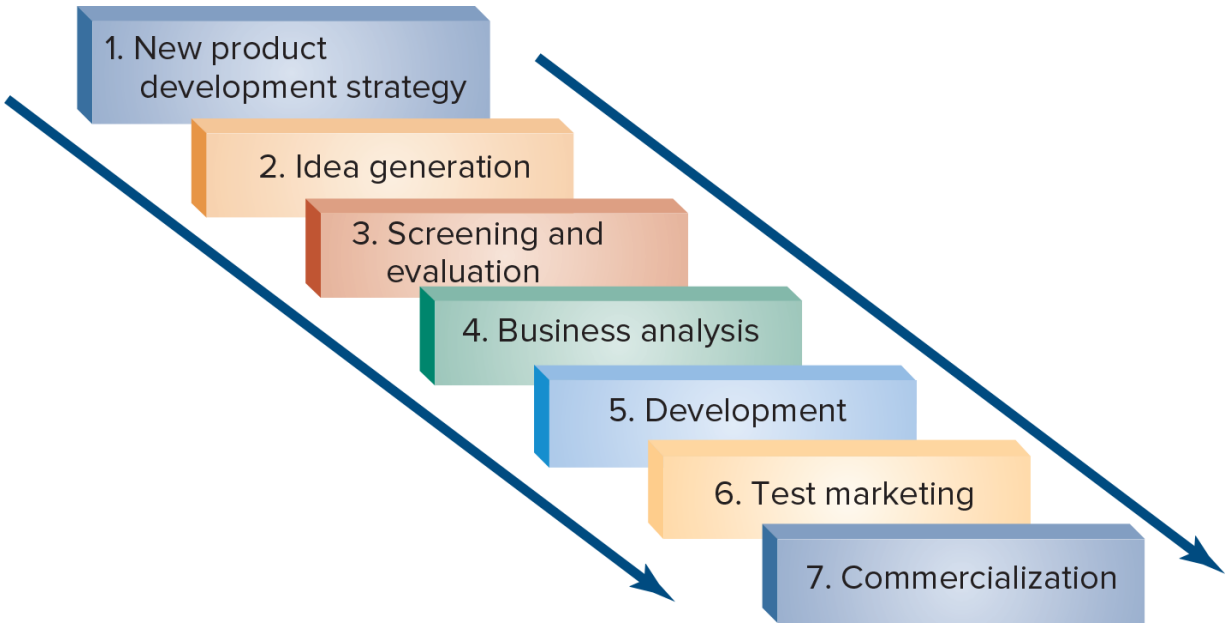
©Rawpixel.com/Shutterstock

Regardless of the formal structure, new product development success ultimately requires the expertise of people with different specializations and from varied backgrounds to ensure that the best product ideas are developed. These experts are either fully involved in the process from the start, or brought in along the way to contribute to the journey.

The New Product Development Process

LO 5 In order to avoid expensive product failures, companies will use rigorous product development processes to minimize the risk. The **new product development process** includes the seven steps shown in Figure 8–9 and summarized in Figure 8–10, Today, many organizations use a formal Stage-Gate® process that focuses on the collection of data and analysis at each step in the process to determine whether the results are successful enough to justify proceeding to the next stage. If results cannot be improved, the project doesn't proceed to the next step, and product development is halted.[27]

Figure 8–9 Steps in the new product development process



Step 1: New Product Development Strategy

Having a clear definition and understanding of what you are trying to achieve with product innovation is one of the most important building blocks in the new product development

process. A **new product development strategy** involves setting the new product strategic direction for the company as a whole, as well as the precise objectives for the innovation at hand. There must be consistency between the two.

An example can be seen with Apple and an interview with its CEO, Tim Cook, in 2018. He highlighted Apple's new product philosophy as coming down to two questions: Did we make a good product? Did we enrich people's lives? The company has faith that this strategy leads to results over the long haul. Apple now focuses on fewer ideas and things that matter. It wants to make products that give people the ability to do things they couldn't do before. Apple starts projects years before they come out, and it takes the time to produce category-redefining products such as wireless AirPods, the Apple Watch, and an iPhone with facial recognition and high-quality cameras. Apple was recognized as the World's Most Innovative Company in 2018.[28]

Figure 8–10 Elements in each stage of the new product development process

Stage of Process	Purpose of Stage	Marketing Information and Methods Used
New product development strategy	Identify new product development focus that meets company objectives	Company objectives; SWOT analysis of company/product/brand
Idea generation	Brainstorm new ideas	Ideas from employees, co-workers, and consumers
Screening and evaluation	Evaluate product ideas and develop concepts	Internal evaluation of technical requirements, external concept tests
Business analysis	Identify the product's features and its marketing strategy, and make financial projections	Product's key features and anticipated marketing mix; assessment of production, legal, and profitability issues
Development	Create the prototype and test it internally at the company and	Internal company assessments and external tests on product prototypes

Stage of Process	Purpose of Stage	Marketing Information and Methods Used
	externally with consumers	
Test marketing	Test the product and marketing strategy in the marketplace on a limited scale (if necessary)	Test marketing in defined areas
Commercialization	Launch and fully market the product in the marketplace	Implement all areas of the marketing mix; possible regional rollout

Step 2: Idea Generation

Once the purpose and direction for the product development project is clarified, the second step of **idea generation** comes into play. Ideas can be generated from a number of sources and in a number of different ways. Ideas can come from inside or outside the company, depending on the organization's approach to new product development. Brainstorming sessions can focus on participants coming up with new ideas for the project at hand. It is important for these brainstorming sessions to include individuals who are creative, have varied experiences, and have differing areas of expertise. This should stimulate a more varied and interesting pool of ideas.

Brainstorming can result in a host of interesting ideas, but for this approach to work, participants must be willing to share their most ridiculous or boring ideas with the group. Participants need to be open-minded, energetic, flexible, and willing to build on each other's ideas. Often, companies hire an outside moderator, skilled in these types of sessions, to promote creativity within the group that renders results. Brainstorming is a key technique used by the founder of LUS Brands to determine new hair care products to launch.

Valuable input can be obtained from customers and suppliers. Sales or purchasing personnel can talk to their customers to pinpoint unmet needs. Customers also feed their suggestions

into companies through customer service and social media channels. Many companies invest in consumer research, focused on coming up with new product ideas. This input should be considered for future product development. Customers are the ones using a company's product, and they have a good understanding of potential improvements.



Procter & Gamble's new Tide Pods launch shows how it has improved both planning and implementation by involving consumers earlier in its innovation activities.

Mike Hruby/McGraw-Hill Education

P&G spends billions of dollars each year on product research and development. A significant additional investment is made in consumer research, with an eye to generating ideas for product innovation. In 2012, with a $150-million marketing budget, P&G launched Tide Pods. Tide Pods are a three-chambered liquid dose of Tide that cleans, fights stains, and brightens. Following its successful launch, P&G redesigned its packaging after discovering that some children thought the pods were candy and tried to eat them.

How successful has Tide Pods been for P&G? After its first year, the product garnered a 73 percent share of the "unit dose" segment of the detergent market on estimated sales of $500 million—making it one of the company's most successful product launches.[29]

Step 3: Screening and Evaluation

The third stage of the new product development process, **screening and evaluation**, attempts to reduce the array of product ideas down to a manageable list of promising concepts. Ideas are initially examined internally by the new-product development team, which eliminates ideas that do not meet the objectives as well as those that are clearly not technically feasible. The short list of ideas is then further refined by the product development team into concepts. A concept is a more detailed idea, written in consumer terms, with enough detail

for consumers to fully understand. Consumers are presented with a short descriptive paragraph and an accompanying visual, which could be a sketch, mock-up, or promotional piece. They are then asked for feedback.

Concept tests are external evaluations of the new product idea, rather than the actual product itself. Several key issues are addressed during concept testing, such as how the customer perceives the product, who would use it, and how it would be used. The purpose of these evaluations is to get feedback on the strengths and weaknesses of the concepts and to understand what further modifications are required. Concept tests will result in some concepts being eliminated and others surfacing as more promising opportunities that require further investigation.

Step 4: Business Analysis

After the concept tests have determined which product, or line of products, is a strong candidate, a **business analysis** is necessary. Financial projections estimate the cost of bringing the new product to market and selling it in the future. Typical financial projections for a new product cover a three-year period and often look five years into the future.

At this point in the development process, marketers are checking the commercial viability of the new product. This requires strong analytical skills and the ability to understand the dynamics of the market. Marketers need to initially establish the positioning of the product in the market and what marketing elements are needed for a successful launch. The new product is also studied to determine whether it can, and should, be protected with a patent, trademark, or copyright. A marketer must also be able to anticipate competitive reactions and foresee target market needs.

The business analysis requires marketers to determine market share projections, price points, cost parameters, special discounts, distribution requirements, research needs, and all the marketing communication programs needed to ensure product success. Marketers also need to understand whether a product will require an investment in infrastructure, software, machinery, people, or training programs, and whether it will cannibalize the sales of existing products. The business analysis stage results in profit projections. Marketers review these projections, taking a realistic view of the product and the market to decide whether the concept has real financial merit. It is important for marketers to be as realistic as possible at this stage.

“ The business analysis stage results in profit projections. ”

If the product can meet sales, profit, and market share targets, then the new product development process will continue to the next step. If not, marketers may reassess the concept, going back to consumers to conduct further research. This is usually the last checkpoint before significant resources are invested in creating a prototype, a full-scale operating model of the product.

Step 5: Development

New product ideas that survive the business analysis step proceed to actual **development**, turning the idea into a prototype for further consumer research and manufacturing tests. This step is considerably complex, involving laboratory and consumer tests to ensure that the product consistently meets legal and quality control requirements. Trials are also conducted to eliminate manufacturing problems and to reduce costs.

This step can be time-consuming, with some products requiring extensive testing before they can be safely brought to market. Pharmaceutical products, children’s toys, cars, and food products are examples that fall into this category.

The development step allows marketers to take actual product prototypes into consumer research or show them to potential buyers. This provides a platform to assess preliminary sales strategies with key accounts or marketing ideas with consumers.

Step 6: Test Marketing

Test marketing involves offering a product for sale on a limited basis in a defined geographic area. This test is done to determine whether consumers will actually buy the product, and to what extent. Marketers may use this opportunity to test different marketing approaches to support the product.

“ To minimize the risk of financial failure, many companies use regional rollouts. ”



Tim Hortons®

There are several cities in Canada that are used regularly as test markets for a variety of different products/services. Test marketing is often conducted in cities such as London, Ontario; Edmonton, Alberta; and Barrie, Ontario. Test cities tend to be under 1 million in population and need to be similar culturally to the rest of the country, with a variety of socio-economic backgrounds represented, making them representative of Canada in general. Using tracking systems by firms such as Nielsen, marketers can try to correlate local advertising campaigns to in-store purchases by using data from store scanners. McDonald's Chicken McNuggets and Tim Hortons® Dark Roast coffee were tested in London, Ontario, before being launched throughout Canada.[30]

The main drawbacks of test markets are that they are expensive to conduct, and they immediately alert the competition. Competitors can easily sabotage test markets by altering their own pricing and marketing support to render the test market unsuccessful. These issues are so real that many marketers do not embark on test markets, relying instead on research to provide good direction for a full product launch.

Technology is assisting marketers by creating simulated test markets through a number of software programs. An emerging trend uses virtual reality testing to allow marketers to present consumers with a range of experiences such as simulated store environments. Ipsos is an example of a reputable market research firm that conducts simulated test marketing services for its clients.

Step 7: Commercialization

Commercialization is the step when the new product is brought to market with full-scale production, sales, and marketing support. Companies proceed very carefully at the commercialization stage because this is the most expensive stage for most new products. To

minimize the risk of financial failure, many companies use regional rollouts, introducing the product sequentially into geographic areas of the country to allow production levels and marketing activities to build gradually. Grocery product manufacturers and some telecommunication service providers are examples of firms that use this strategy.

Marketing plays a crucial role in the success of a new product, and marketers need to intimately understand their consumers and what is important to their purchase decisions. Each element of the marketing mix needs to be carefully crafted to help make a new product successful.

Critical Thinking for Marketing

1. *What are the main reasons that new products fail?*
2. *What occurs in the screening and evaluation step of the new product development process?*
3. *What is the purpose of the business analysis step in the new product development process?*
4. *What are the advantages and disadvantages of a test market?*

Summary...just the facts

LO 1 • Product life cycles are the stages that a new product goes through from its initial introduction through to growth, maturity, and decline.

- The shape of a product life cycle varies depending on the industry, the competition, technological innovation, and the marketing of the product.

LO 2 • Product life cycles can be extended through various marketing techniques that encourage new and current users to keep purchasing the product and to use it in new ways.

- Extending a product life cycle can be done by following one or a combination of these approaches: (1) modifying the product, (2) modifying the market, (3) repositioning a product, and (4) introducing a new product.

LO 3 • There are many types of new products, ranging from slight product modifications, to more innovative changes, to the more radical innovations that we see in the market. We term these minor innovations, continuous innovations, and radical innovations.

LO 4 • The adoption curve shows the sequential diffusion and acceptance of an innovation into the market by consumers. It categorizes people into five groups: innovators, early adopters, early majority, late majority, and laggards.

LO 5 • The new product development process follows seven steps: (1) new product development strategy, (2) idea generation, (3) screening and evaluation, (4) business analysis, (5) development, (6) test marketing, and (7) commercialization.

Key Terms and Concepts...a refresher

adoption curve

business analysis

commercialization

concept tests

continuous innovations

delete

development

fad

fashion product

harvest

high-learning product

idea generation

line extension

listing fees

low-learning product

minor innovations

new product development process

new product development strategy

price skimming

product life cycle

radical innovations

screening and evaluation

test marketing

Hands-on... APPLY YOUR KNOWLEDGE

New Product Development Assignment Review this chapter's opening vignette on LUS Brands and gather additional information about this and other products in this category by going online to visit brand websites and social media sites. Also, review the latest news in this category. Present your ideas on how the online environment can be better used to market LUS Brands' products to consumers.

Chapter Vignette… ACTIVITY

This chapter's opening vignette explains the development and launch of LUS Brands. LUS Brands used brainstorming and product testing as important techniques to come up with some of the initial ideas for its products. Conduct a brainstorming session with a group of fellow students and come up with a list of at least 15 different ideas for future products for LUS Brands.

As products move through the product life cycle stages, so do the sectors in the world of work. There are some industry sectors that are in the introduction stage and other industry sectors that are in the decline stage. This is key when considering what sectors you may wish to work in and in determining the skills that will be in demand in the future. Those industry sectors and job titles that have positive outlooks may provide more well paid opportunities for grads.

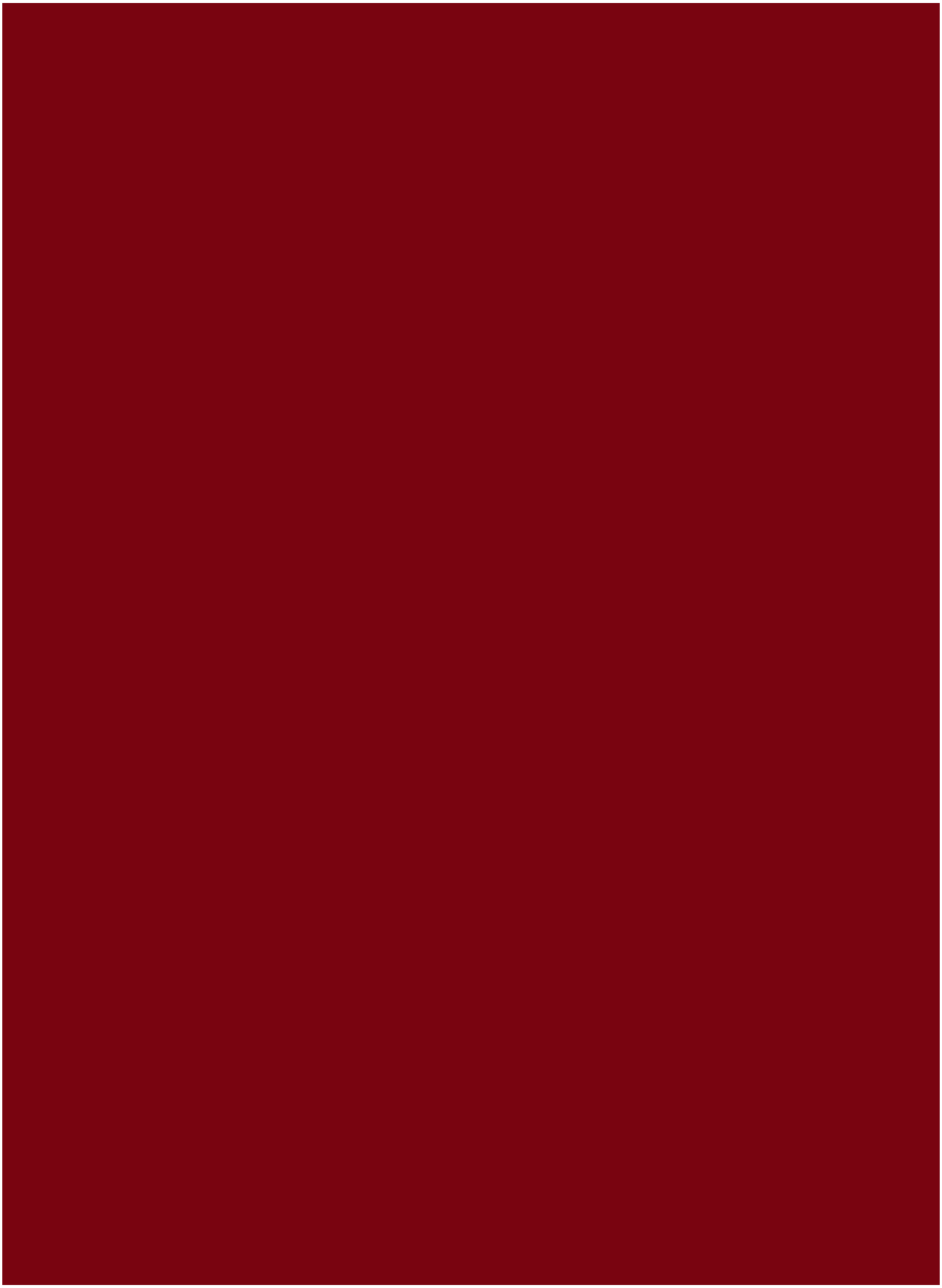
You've identified what you love, what you are good at and what the world needs. The last key to a meaningful career is to identify roles that pay well, so you can be financially independent. To find such roles, you need to understand information about the labour market, specifically which jobs and skills are in demand. This will ensure you are in a good position when you graduate.

How do you find labour market information? The good news is that there are organizations that research future trends in the labour market that you can access. One source of labour market information is found at the Canadian government website **www.jobbank.gc.ca**. Here you can explore job outlooks for a variety of job titles and statistics such as wages by geographic region.

Activity:

Go to **www.jobbank.gc.ca** and go to the labour market information tab to review outlook reports for marketing job titles such as digital marketing coordinator, marketing analyst, marketing researcher, and marketing manager. Do the outlooks for the different job titles vary by region? Review the wage data for each job title.

Add the job titles and industries that you are interested in to Circle Four in your **ikigai diagram**, What You Can be Paid For.



Chapter 9
Pricing



InXpress

LEARNING OBJECTIVES

LO 1 Identify the elements that make up a price
LO 2 Explain the approaches to pricing and the major factors considered in arriving at a final price
LO 3 Describe the demand curve, and define price elasticity of demand
LO 4 Explain the role of revenues (sales) and costs in pricing decisions
LO 5 Discuss the value of break-even analysis and conduct break-even calculations
LO 6 Describe the price objectives a firm may have and the constraints under which they operate
LO 7 Outline the four steps in determining a final price
LO 8 Explain the adjustments made to price because of factors such as geography, discounts, and allowances

CHAPTER OUTLINE

- Values and pricing
- Nature and importance of price
- General pricing approaches
- Estimating demand and revenue

- Determining cost, volume, and profit relationships
- Pricing objectives and constraints
- Setting a final price

CHAPTER FEATURES

Food Inflation Crisis

Rising food prices have an impact on the consumer.

Partnering to Make Food Affordable

How grocery stores are helping with rising food prices.

Laws and regulations are in place to protect consumers and promote fair pricing. Price-fixing, deceptive pricing, predatory pricing, and price discrimination are prominent considerations consumers and businesses need to be aware of and protected from. Owning or working for a company built on a solid foundation of values and integrity is something we should all strive toward.

With over 25 years of experience in logistics, Paul Paquette knows how important it is to deliver on time. The president of InXpress Canada has built a career based on integrity, commitment, and reliability, and has a passion for sharing his knowledge with students and young professionals. At a recent guest lecture, Paul shared the importance of pricing in his day-to-day decision-making. "As a technology company in the logistics industry," Paul says, "the business is recession resilient if you understand how important pricing is to your success."

InXpress is an international parcel, freight, and shipping company moving over 4.3 million shipments annually. Learning from 20 years of insight, InXpress has disrupted traditional shipping services with world-class technology. The high performance platform provides an innovative shipping experience that's proven to save time and money. InXpress Canada is growing, and promoting the opportunity for future small business owners in Canada to become franchisees of fully scalable, profitable start-ups.

When asked about InXpress Canada's pricing strategy, Paul says, "We want to be competitive, but we also want to be recognized for the value we bring to the experience." Above-, at-, or below-market pricing strategies are reviewed regularly by InXpress, which strives to find the best possible shipping solution for each and every customer. Building strong relationships with customers and stakeholders, and holding people accountable is key to the organization's success.

"You should never take for granted the importance of logistics in marketing," says Paul. InXpress Canada promotes first-class shipping experiences that are both affordable and effortless for the customer.

Paul's experience in logistics and advocacy for small business owners helps InXpress Canada's franchises succeed. Not only does he lead the organization, Paul rolls up his sleeves to coach and train franchisees. "It is a competitive marketplace, and your brand is so important to your business," Paul says. "I want to ensure individuals working for me understand my values, and the values I want our company to have. I value the one-on-one time with each of our franchisees."[1]

***reality* CHECK**

As you read Chapter 9, refer back to this opening vignette to answer the following questions:

- How do you believe InXpress franchisees determine pricing for their customers?
- What services do you believe can enhance the value businesses provide their customers?

Nature and Importance of Price

LO 1 The price paid for goods and services goes by many names. You pay *tuition* for your education, *rent* for an apartment, *interest* on a bank credit card, and a *premium* for car insurance. Your dentist or chiropractor charges you a *fee*, a professional or social organization charges *dues*, and airlines charge a *fare*. And what you pay for clothes or a haircut is termed a *price*.

Price has many implications for marketing. Beyond it being a key element of the 4 Ps of the marketing mix, marketers need to know how pricing impacts their target markets, competitors, and demand.

What Is a Price?

From a marketing viewpoint, *price* is the money or other considerations, including goods and services, exchanged for the ownership or use of a product. For example, Wilkinson Sword could exchange some of its knives for advertising that promotes its razor blades. This practice of exchanging goods and services for other goods and services rather than for money is called **barter**. Barter transactions account for billions of dollars annually in domestic and international trade.

For most products, money is exchanged. Generally, consumers focus on purchasing necessities first. Prices for necessities increase with inflation. Certain food prices can increase drastically over time. When prices of necessities rise, consumers have less to spend on other products. Furthermore, how much money is paid is not always consistent with the list or quoted price because of discounts, allowances, and extra fees. While discounts, allowances, and rebates make the effective price lower, other marketing tactics raise the real price.

One pricing tactic is to use special fees and surcharges. This practice is driven by consumers' zeal for low prices combined with the ease of making price comparisons online. Buyers are more willing to pay extra fees than a higher list price, so sellers use add-on charges as a way of having the consumer pay more without raising the list price. Consider this when you purchase a cell phone. Examples of such special fees may include a system licensing charge or 911 emergency service access charge that increase the monthly cell phone bill. You may also encounter an environmental surcharge on new tires and batteries for cars in some provinces.

The different factors that increase or decrease the price are put together in a *price equation*, which is shown for several different products in Figure 9–1.

Figure 9–1 The price of three different purchases

	Price Equation			
Item Purchased	**Price**	**= List Price**	**– Incentives and Allowances**	**+ Extra Fees**
New car bought by an individual	Final price	= List price	– Rebate – Cash discount – Old car trade-in	+ Financing charges + Special accessories + Destination charges
Term in university bought by a student	Tuition	= Published tuition	– Scholarship – Other financial aid	+ Special activity fees

	Price Equation			
Item Purchased	**Price**	**= List Price**	**– Incentives and Allowances**	**+ Extra Fees**
Merchandise bought from a wholesaler by a retailer	Invoice price	= List price	– Quantity discount – Cash discount – Seasonal discount – Functional or trade discount	+ Penalty for late payment

Suppose that you decide you want to buy a Bugatti Veyron, the world's fastest production car, which can move you from 0 to 100 km/h in 2.5 seconds, with a top speed of 422 km/h. The Veyron has a list price of $4.2 million, but you want the clear-coat paint option, which will cost an extra $430,000. An extended warranty will add an additional $80,000. For your 2016 Honda Civic DX 4-door sedan that has 100,000 kilometres and is in fair condition, you are given a trade-in allowance of $10,000. Assume another $300,000 for additional taxes and charges. Fortunately, your great aunt has offered to give you the money as a five-year interest free loan.[2]



Consider all the costs when purchasing items like the Bugatti Veyron.

cristian ghisla/Shutterstock

Applying the price equation (as shown in Figure 9–1) to your purchase, your final price is as follows:

$$\begin{aligned}\text{Final price} &= \text{List price} - (\text{Incentives} + \text{Allowances}) + \text{Extra fees}\\ &= \$4{,}200{,}000 - (\$10{,}000 + 430{,}000) + (80{,}000 + 300{,}000)\\ &= \$5{,}000{,}000\end{aligned}$$

Are you still interested in buying this car? If so, put yourself on the waiting list.

Price as an Indicator of Value

From a consumer's standpoint, price is often used to indicate value when it is compared with the perceived benefits of a product or service, such as quality, durability, and so on. Specifically, **value** is the ratio of perceived benefits to price,[3] or

$$\text{Value} = \frac{\text{Perceived benefits}}{\text{Price}}$$

This relationship shows that for a given price, as perceived benefits increase, value increases. If you can purchase a medium or a large pizza for $15.99, which pizza would you choose? Would having more pizza to eat be more valuable? Many marketers often engage in the practice of *value pricing*—increasing product or service benefits while maintaining or decreasing price. McDonald's understands the importance of price to consumers and launched its McValue® Menu which has evolved into Value Picks®. McDonald's Extra Value Meal combinations show how lowering prices can increase the value of it to a consumer.



McDonald's increases value to consumers by reducing the overall price of food items purchased in a combo.

URAIWONS/Shutterstock

Marketers must be careful when using price as an indicator of value. For example, for many consumers, a low price would imply poor quality, and ultimately, poor perceived value. This is particularly true for services. For example, what would be your perception of a dentist who charges only $25 for a checkup and cleaning, when the average dentist charges between $150 and $200? Consumers make comparative value assessments, so it is important for marketers to know what their competitors are charging.

In a survey of people buying home furnishings, 84 percent agreed with the statement, "The higher the price, the higher the quality." In turn, firms may use high prices to signify high quality.[4] For example, Kohler introduced a walk-in bathtub that is safer for children and the elderly. Although priced higher than conventional step-in bathtubs, it has proven very successful because buyers are willing to pay more for what they perceive as the benefit of extra safety. The Marketing Matters box, **Food Inflation Crisis**, discusses how rising food prices are affecting Canadians.[5]

Marketing Matters

Food Inflation Crisis

In mid-2021, inflation started rising in Canada. In some circumstances, inflation can be positive for an economy, as it allows for more production and higher margins. When inflation impacts consumer goods and leads to high food prices, it can be a concern for many Canadians. Annual grocery bills were projected to increase by over $1,000. Mortgage rates rose, putting pressure on Canadian families to pay more interest in their monthly payments. If household incomes do not keep pace with food inflation, Canadians must get more creative in stretching their dollars.



Rising food prices have provided budgeting challenges for Canadian families.

Lightspring/Shutterstock

Vegetables, meat, dairy, bakery items, and seafood are regularly consumed by Canadians, and are all subject to the inflationary increases. This not only affects Canadian households, but also restaurants, as they must adjust to the higher costs of food.

Food banks reported record highs in usage as rising food prices affected food affordability and put food security further out of reach for many Canadians. With this sensitivity to food inflation, Canadians became more discerning in their purchase habits, using coupons and bulk buying as strategies to make meals more affordable.

Questions

1. As a consumer, have you noticed anything different regarding food purchases? Have prices gone up? Have portion sizes gone down? Discuss your experiences.
2. Can you think of a different industry that has been impacted by inflation?

Price in the Marketing Mix

Pricing is a crucial decision, because price has a direct effect on a firm's profits. This is apparent from a firm's **profit equation**:

$$\text{Profit} = \text{Total revenue} - \text{Total cost} = (\text{Unit price} \times \text{Quantity sold}) - \text{Total cost}$$

What makes this relationship even more complicated is that price affects the quantity sold, as illustrated with demand curves later in this chapter. The quantity sold sometimes affects a firm's costs because the quantity is affected by efficiency of production, so price also indirectly affects costs. Thus, pricing decisions influence both total revenue (sales) and total cost, which makes pricing one of the most important decisions marketing executives face.

"Pricing decisions influence both total revenue (sales) and total cost, which makes pricing one of the most important decisions marketing executives face."

General Pricing Approaches

LO 2 When setting a final price for a product, a marketing manager needs to find an "approximate price level" to use as a reasonable starting point. Four common approaches to helping find this approximate price level are demand-oriented, cost-oriented, profit-oriented, and competition-oriented approaches (see Figure 9–2). Although these approaches are discussed separately below, some of them overlap, and an effective marketing manager will consider several in searching for an approximate price level.

Figure 9–2 Four approaches to selecting an approximate price level

Demand-oriented approaches	Cost-oriented approaches	Profit-oriented approaches	Competition-oriented approaches
• Skimming • Penetration • Prestige • Odd–even • Target • Bundle • Yield management	• Standard markup • Cost-plus	• Target profit • Target return on sales • Target return on investment	• Customary • Above, at, or below market • Loss leader

Demand-Oriented Approaches

Demand-oriented approaches emphasize factors underlying expected customer tastes and preferences more than such factors as cost, profit, and competition when selecting a price level.

Skimming Pricing

A firm introducing a new product can use **skimming pricing**, setting the highest initial price that those customers who really want the product are willing to pay. These customers are not very price sensitive because they weigh the new product's price, quality, and ability to satisfy

their needs against the same characteristics of substitutes. As the demand of these customers is satisfied, the firm lowers the price to attract a more price-sensitive segment. Thus, skimming pricing gets its name from skimming successive layers of “cream,” or customer segments, as prices are lowered in a series of steps.

In the early 2000s, many manufacturers of flat-screen TVs were pricing them at about $5,000 and using skimming pricing because many prospective customers were willing to buy the product immediately at the high price. Generally, prices of flat-screen TVs have dropped over time; however, retailers of TVs featuring new technology or larger screens continue to use skimming pricing.

Penetration Pricing

Setting a lower, more affordable initial price on a new product to appeal immediately to the mass market is **penetration pricing**, the exact opposite of skimming pricing. This strategy makes sense when consumers are price sensitive; Nintendo consciously chose a penetration strategy when it introduced the Nintendo Wii, its popular video game console. It continues to use the strategy with Nintendo Switch 2.

In addition to offering the potential to build sales, market share, and profits, penetration pricing discourages competitors from entering the market because the profit margin is relatively low. Furthermore, if the costs to produce drop because of the accumulated volume, competitors that enter the market will face higher unit costs, at least until their volume catches up with the early entrant. Walmart comes to mind when we think about penetration pricing. The same holds true for the very successful chain Dollarama, which is constantly increasing its number of stores in Canada.



Nintendo used penetration-pricing strategy to introduce its Wii video game console, its Wii U home console, and its Nintendo Switch (shown here).

©Kazuhiro Nogi/AFP/Getty Images

In some situations, penetration pricing may follow skimming pricing. A company might price a product high in the early stages of the product life cycle to attract price-insensitive consumers. After the company has earned back the money spent on research and development and introductory promotions, it uses penetration pricing in the later stages of the product life cycle to appeal to a broader segment of the population and increase market share.[6]

Prestige Pricing

Although consumers tend to buy more of a product when the price is lower, sometimes the reverse is true. If consumers are using price as a measure of the quality of an item, a company runs the risk of appearing to offer a low-quality product if it sets the price below a certain point. **Prestige pricing** involves setting a high price so that quality- or status-conscious consumers are attracted to the product and buy it. Rolls-Royce cars, Chanel perfume, and Cartier jewellery have an element of prestige pricing in them and may not sell as well at lower prices than at higher ones.[7]

The higher the price of a prestige product, the greater the status associated with it and the greater its exclusivity, because fewer people can afford to buy it. Unlike products such as flat-panel TVs, which have decreased in price over the product life cycle, prices of prestige products remain high throughout the product life cycle.

An example of prestige pricing is the All Day Heels® collection of women's high-heeled shoes developed by Canadian retailer Ron White. This fashionable line of women's shoes combines elegance with comfort. The All Day Heels collection is set at a high price that matches its superior quality. The shoes provide arch support, built-in cushioning materials, and thin lightweight insoles made of Poron, a flexible high-tech elastic polymer developed by NASA.

Price Lining

Often, a firm that is selling not just a single product but a line of products may sell them at a number of different specific price points, which is called *price lining*. For example, Apple offers iPads at $449, $599, and $1,099 depending on the generation. In some instances, all the items may be constructed with similar costs and then marked up to different percentages

to achieve these price points, based on colour, style, and expected demand. In other instances, manufacturers design products for different price points, and retailers apply approximately the same markup percentages to achieve the three price points offered to consumers.

Odd-Even Pricing

If you are in hardware store, you may see a mitre saw for $649. In a grocery store, you may find Windex glass cleaner for $4.47. These firms are using **odd-even pricing**, which involves setting prices a few dollars or cents under an even number. The presumption is that consumers see the mitre saw priced above $600 rather than $650. The effect this strategy has is psychological: $649 *feels* significantly lower than $650—even though there is only one dollar difference. There is some evidence to suggest this does work. However, research suggests that overuse of odd-ending prices tends to mute its effect on demand.[8]

Target Pricing

Manufacturers will sometimes estimate the price that the ultimate consumer would be willing to pay for a product. They then work backward through markups taken by retailers and wholesalers to determine what price they can charge for the product. This practice, called *target pricing*, results in the manufacturer deliberately adjusting the composition and features of a product to achieve the target price to consumers.



Airlines use yield management pricing to help fill empty seats.

©Claudio zaccherini/Shutterstock

Bundle Pricing

A frequently used demand-oriented pricing practice is **bundle pricing**, which is the marketing of two or more products for a single "package" price. For example, Air Canada offers vacation packages that include airfare, car rental, and hotel. Bundle pricing is based on the idea that consumers value the package more than the individual items. This is due to benefits received from not having to make separate purchases as well as increased satisfaction from one item in the presence of another. Bundle pricing often provides a lower total cost to buyers and lower marketing costs to sellers.[9]

Yield Management Pricing

Have you ever been on an airplane and discovered the person next to you paid a lower price for their ticket than you paid? Annoying, isn't it? But what you observed is *yield management pricing*, the charging of different prices to maximize revenue for a set amount of capacity at any given time.[10] Airlines, hotels, and car rental firms engage in capacity management by varying prices based on time, day, week, or season to match demand and supply. Ordering an Uber at three different times of the day could get you three different rates depending on the number of cars available for the number of people requesting a ride. These are all yield management pricing strategies.

Cost-Oriented Approaches

With cost-oriented approaches, a price is more affected by the cost side of the pricing problem than the demand side. Price is set by looking at the production and marketing costs and then adding enough to cover direct expenses, overhead, and profit. The chapter-opening vignette about InXpress highlights the importance of managing relationships and marketing costs.

Standard Markup Pricing

In order to make a profit, firms sell their products at a price that exceeds their costs of producing or sourcing the items and the costs of marketing them. Conventionally, the difference between the selling price of an item and its cost is referred to as the **markup**, and this is normally expressed as a percentage. Markup is also often referred to as gross margin.

Manufacturers commonly express markup as a percentage of cost, which is the difference between selling price and cost, divided by cost. This is also referred to as **standard markup**

pricing. Manufacturers use this approach because they are concerned most of the time with costs.

Parties who buy and resell products—for example, wholesalers and retailers—are nearly always dealing with selling prices. They often express markup as a percentage of price, which is the difference between selling price and cost, divided by the selling price. Using the same markup percentage for both of the above approaches will result in a different selling price (see the example in **Figure 9–3**).

Figure 9–3 Markup examples

Markup Table Based on Selling Price		
	$	**%**
Selling price	$75.00	100%*
− (minus) Cost	$60.00	80%
= (equals) Markup	$15.00	20%
Markup Table Based on Cost		
	$	**%**
Selling price	$72.00	120%
− (minus) Cost	$60.00	100%**
= (equals) Markup	$12.00	20%

Consider the example of a product that is produced by a manufacturer and sold to a wholesaler, who in turn sells it to a retailer, who then sells it to a customer. The product will be subjected to a series of markups as shown below:

Manufacturer's cost:	**$50.00**
Markup % (based on manufacturer's cost):	40%
Markup $:	$20.00
Selling price to wholesaler:	**$70.00**
Wholesaler cost:	**$70.00**

Markup % (based on selling price to retailer):	15%
Markup $:	$12.35
Selling price to retailer:	**$82.35**
Retailer cost:	**$82.35**
Markup % (based on retailer selling price):	35%
Markup $:	$44.34
Retailer selling price:	**$126.69**

It may surprise you to find out that a product costing $50 to produce can end up costing a consumer more than twice that much when bought at a retailer, but this is not unusual. It is important to remember that markup is necessary at each stage so that companies involved can cover their costs of purchasing the item, can pay to market it to the next stage in the distribution channel, and can generate some profit. The markups shown would be representative of some items such as designer furniture.

This percentage markup varies depending on the type of retail store (such as furniture, clothing, or grocery) and on the product involved. High-volume products usually have smaller markups than do low-volume products. Supermarkets such as Loblaws and Sobeys mark up staple items such as sugar, flour, and dairy products 10 to 25 percent, whereas they mark up discretionary items such as snack foods and candy 25 to 47 percent. These markups must cover all expenses of the store, pay for overhead costs, and contribute something to profits. For supermarkets, these markups, which may appear very large, can result in only a one percent profit on sales revenue.

Cost-Plus Pricing

Many manufacturers, professional services, and construction firms use a variation of standard markup pricing. **Cost-plus pricing** involves summing the total unit cost of providing a product or service and adding a specific amount to the cost to arrive at a price. Cost-plus pricing is the most commonly used method to set prices for business products.[11] Increasingly, however, this method is finding favour among business-to-business marketers in the service sector. For example, the rising cost of legal fees has prompted some law firms to adopt a cost-plus pricing approach. Rather than billing business clients on an hourly basis, lawyers and their clients agree on a fixed fee based on expected costs plus a profit for the law firm. Many advertising agencies now use this approach. Here, the client agrees to pay the agency a fee based on the cost of its work plus some agreed-on profit.[12]

Profit-Oriented Approaches

A company may choose to balance both revenues and costs to set price using profit-oriented approaches. These might involve either setting a target of a specific dollar volume of profit or expressing this target profit as a percentage of sales or investment.

Target Profit Pricing

When a firm sets an annual target of a specific dollar amount of profit, this is called **target profit pricing**. For example, if you owned a picture frame store and wanted to achieve a target profit of $7,000 in the coming year, how much would you need to charge for each frame? Because profit depends on revenues and costs, you would have to know your costs and then estimate how many frames you would sell. Let's assume, based on sales in previous years, you expect to frame 1,000 pictures next year. The cost of your time and materials to frame an average picture is $22, while your overhead expenses (rent, manager salaries, and so on) are $26,000. Finally, your goal is to achieve a profit of $7,000. How do you calculate your price per picture?

$$\begin{aligned} \text{Profit} &= \text{Total revenue} - \text{Total costs} \\ &= (\text{Pictures sold} \times \text{Price/picture}) \\ &\quad - [(\text{Cost/picture} \times \text{Pictures sold}) \\ &\quad + \text{overhead cost}] \end{aligned}$$

Solving for price per picture, the equation becomes:

$$\begin{aligned} \text{Price/picture} &= \frac{\text{Profit} + [(\text{Cost/picture} \times \text{Pictures sold}) + \text{overhead costs}]}{\text{Pictures sold}} \\ &= \frac{\$7{,}000 + [(\$22 \times 1{,}000) + \$26{,}000]}{1{,}000} \\ &= \frac{\$7{,}000 + \$48{,}000}{1{,}000} \\ &= \$55 \text{ per picture} \end{aligned}$$

Clearly, this pricing method depends on an accurate estimate of demand. Because demand is often difficult to predict, this method has the potential for disaster if the estimate is too high. Generally, a target profit pricing strategy is best for firms offering new or unique products,

without a lot of competition. What if other frame stores in your area are charging $40 per framed picture? As a marketing manager, you'd have to offer increased customer value with your more expensive frames, lower your costs, or settle for less profit.

Target Return-on-Sales Pricing

Firms such as supermarkets often use **target return-on-sales pricing** to set prices that will give them a profit that is a specified percentage—say, one percent—of the sales volume. This pricing method is often used because of the difficulty in establishing a benchmark of sales or investment to show how much of a firm's effort is needed to achieve the target.



Items on a supermarket shelf may be priced using target return-on-sales pricing.

©MBI/Alamy Stock Photos

Target Return-on-Investment Pricing

Firms such as General Motors and many public utilities use **target return-on-investment pricing** to set prices to achieve a return-on-investment (ROI) target, such as a percentage that is mandated by its board of directors or regulators. For example, a hydro utility may decide to seek 10 percent ROI. If its investment in plant and equipment is $50 million, it would need to set the price of hydro to its customers at a level that results in $5 million a year in profits. The importance of achieving ROI estimates will be explored later in this chapter.

Competition-Oriented Approaches

Rather than emphasize demand, cost, or profit factors, a company's approach may be based on an analysis of what competitors are doing.

Customary Pricing

For some products where tradition, a standardized channel of distribution, or other competitive factors dictate the price, **customary pricing** is used. Candy bars offered through standard vending machines have a customary price of a few dollars, and a significant departure from this price may result in a loss of sales for the manufacturer. Hershey typically has changed the amount of chocolate in its candy bars depending on the price of raw chocolate, rather than vary its customary retail price so that it can continue selling through vending machines.

Above-, At-, or Below-Market Pricing

The "market price" of a product is what customers are generally willing to pay, not necessarily the price that the firm sets. For most products, it is difficult to identify a specific market price for a product or product class. Still, marketing managers often have a subjective feel for the competitors' price or the market price. Using this benchmark, they then may deliberately choose a strategy of **above-, at-, or below-market pricing**.

> *"Among watch manufacturers, Rolex takes pride in emphasizing that it makes one of the most expensive watches you can buy—a clear example of above-market pricing."*



Rolex watches are priced above market.

Casimiro PT/Shutterstock

Among watch manufacturers, Rolex takes pride in emphasizing that it makes one of the most expensive watches you can buy—a clear example of above-market pricing. Manufacturers of international brands of clothing such as Christian Dior and retailers such as Holt Renfrew deliberately set higher prices for their products than those seen at The Bay.

Large mass-merchandise chains such as Hudson's Bay generally use at-market pricing. These chains are often seen as establishing the going market price in the minds of their competitors. They also provide a reference price for competitors that use above- and below-market pricing.

In contrast, a number of firms use below-market pricing. Walmart positions itself this way. Manufacturers of generic products and retailers that offer their own private brands of products ranging from peanut butter to shampoo deliberately set prices for these products about 8 to 10 percent below the prices of nationally branded competitive products such as Skippy peanut butter or Pantene Pro-V shampoo.

Loss-Leader Pricing

Retailers sometimes deliberately sell commonly used products, such as paper towels, soft drinks, and facial tissues, at very low prices to attract consumers who, the retailer hopes, will also buy other, regularly priced merchandise. The downside to **loss-leader pricing** is that some consumers move from store to store, making purchases only on those products that are loss leaders. This purchasing pattern, called cherry-picking, effectively foils the strategy underlying loss-leader pricing—to attract customers who will also buy products with healthier profit margins. For example, video game consoles may be sold at a loss to create the opportunity to profit from high-margin video games.



Some video game consoles may be sold at a loss in order to create profit from the video games.

©charnsitr/Shutterstock

Critical Thinking for Marketing

1. *What products and brands would consider prestige pricing?*

2. *Use examples to differentiate between skimming and penetration pricing.*

3. *When have you experienced the psychological effects of odd-even pricing?*

Estimating Demand and Revenue

LO 3 Creating the correct price for a product begins the process of forecasting. With the product's price known, marketers try to determine the extent of customer demand for it given their marketing efforts and the efforts of their competitors. Once an estimate for demand is known, marketing executives must translate this information to an estimate of revenues the firm expects to receive.

The Importance of Accurate Forecasting

The forecasts created by the marketing department impact decisions made in other areas of an organization, including production and finance. Inaccurate information and poor estimates can be detrimental to the profitability of a marketing campaign. Similar to market research, both quantitative and qualitative analysis are used to make projections for an organization. Still, a forecast is still an estimate, so given the importance of the estimate, research continues to identify methodologies that can help marketers forecast more accurately.[13]

Forecasting Methods

There are various methods that can be used to forecast. For our introductory purposes, consider the four broad categories of qualitative methods, regression methods, multiple equation methods, and time-series methods. Qualitative methods involve market experts coming to consensus using nonquantitative means to achieve projections. Regression methods link the forecast to a number of other variables through an equation. Multiple equations related to one another can also be used to forecast. Finally, time-series methods assume that the variable being forecast is affected by time.[14]

Profit and Loss

Accurate profit and loss statements help organizations measure financial performance. The statement summarizes the revenues, costs, and expenditures outlined in a particular time frame and helps organizations project their ability for achieving future cash flow. For

marketers, it is one of the best tools to gauge the success of a given marketing campaign or initiative.[15]

Return on Investment (ROI)

With profit and loss capturing the performance of a given campaign, return on investment (ROI), or return on marketing investment (ROMI), evaluates the dollars invested in the initiative. When investing in a marketing campaign, marketers are essentially "risking" capital to achieve a desired result. The profit achieved from their initiatives in comparison to what was invested results in the return on marketing investment. Since this model assumes that an infinite number of customers are available to the firm, additional measures such as return on customer (ROC) are being explored to help marketing departments measure campaigns more accurately.[16]

$$\text{Return on investment } (\%) = \frac{(\text{Gain attributable to investment} - \text{Cost of investment})}{\text{Cost of investment}}$$

If a marketing investment of $10,000 in additional advertising and promotion was directly related to an increase in profits of $20,000, then the return on investment would be 100 percent.

$$\text{Return on investment} = 100\% \frac{(\$20{,}000 - \$10{,}000)}{(\$10{,}000)}$$

Fundamentals of Estimating Demand

Demand for a product or service can be estimated in different ways. An organization can study the marketplace by reviewing historical results from its sales and its competitors' sales. An organization can also conduct tests to gauge the demand of its product. In 1986, *Newsweek* decided to conduct a pricing experiment at newsstands in 11 cities. In one city, newsstand buyers paid $2.25. In five other cities, newsstand buyers paid the regular $2.00 price. In another city, the price was $1.50, and in the remaining four cities it was only $1.00. By comparison, the regular newsstand price for a competing magazine, *Time*, was $1.95. Why did *Newsweek* conduct the experiment? According to a *Newsweek* executive, "We wanted to figure out what the demand curve for our magazine at the newsstand is."[17]



The strategy *Newsweek* implemented for its print issue was impacted by the laws of demand.

©Kristoffer Tripplaar/Alamy Stock Photo

Unfortunately, forecasting is challenging as the marketplace for different products and services continues to change. Amazon, Netflix, and Uber have disrupted their respective industries by making it easier for the consumer to purchase the products and services they need. These companies learned from previous disruption as access to information on the Internet made the demand for print-based media fall. In December 2012, *Newsweek* announced it would print its last print edition. Under new management, the company is growing the brand in the digital age. Understanding there was still a demand for print, *Newsweek* relaunched a print edition in 2014 at a substantially higher price point to offset the printing costs.[18]

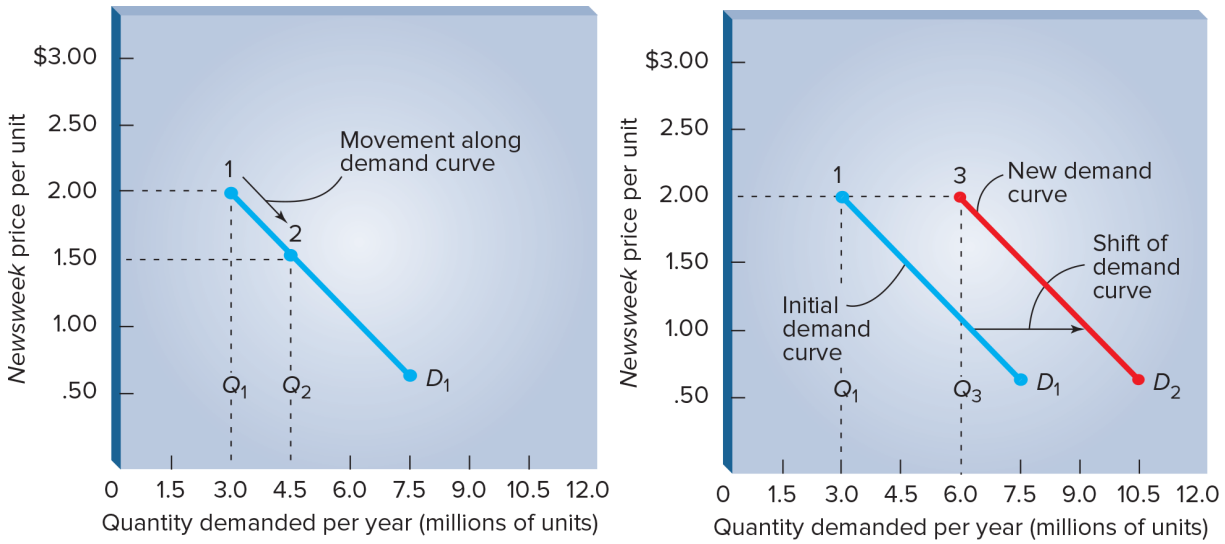
The Demand Curve

A **demand curve** shows the number of products that will be sold at a given price. Demand curve D1 in **Figure 9–4A** shows the newsstand demand for *Newsweek* under the pricing conditions when it still offered a print version. Note that as price falls, more people decide to buy and unit sales increase. But price is not the complete story in estimating demand. Economists emphasize three other key factors:

1. *Consumer tastes:* These depend on many factors, such as demographics, culture, and technology. Because consumer tastes can change quickly, up-to-date marketing research is essential. For example, although many older readers prefer paper books, research indicates it is easier for them to read from electronic tablets.[19]

2. *Price and availability of similar products:* The laws of demand work for a company's competitors, too. Consider *Newsweek* in its print format again. If the price of *Time* magazine falls, more people will buy it. Fewer people will buy *Newsweek* since *Time* is considered by economists to be a substitute for *Newsweek*. In 2012, other online magazines were considered substitutes, so if their prices fell or their availability increased, the demand for a product (*Newsweek* magazine, in this case) would fall. The result was *Newsweek* magazine moving online.
3. *Consumer income:* In general, as real consumer income (allowing for inflation) increases, demand for a product also increases. More disposable income allows for additional purchases that are not necessities. In 2015, Canada's inflation rate was 1.5 percent.

Figure 9–4 Illustrative demand curves for *Newsweek*



A Demand curve under initial conditions

B Shift in the demand curve with different conditions

MARKETING TIP

"You should never take for granted the importance of logistics in marketing."

- Paul Paquette, president, Canada, InXpress

The first of these two factors influences what consumers *want* to buy, and the third affects what they can buy. Along with price, these are often called *demand factors,* or factors that determine consumers' willingness and ability to pay for goods and services. It is often very difficult to estimate demand for new products, especially because consumer likes and dislikes are often so difficult to read clearly.

Demand in Action

When Travis Kalanick and Garrett Camp had trouble hailing a cab in 2008, their experience led to an idea that evolved into a transportation network company. Today, Uber offers a number of services that challenge the taxi industry. One of its services, UberX, offers low-cost options for reaching destinations. By linking individuals who need a ride with individuals who can offer a ride, Uber created an opportunity to avoid the issues Kalanick and Camp had years ago.

Uber fills a need and creates an experience in our busy, overscheduled lives. In order to help, consumers find a ride at the touch of an app. Uber requires satisfactory background checks as well as other criteria for its drivers. Uber imposes specific requirements on the vehicles in its fleet, but does not own any of the vehicles. This model allows Uber to offer rides to consumers at significantly competitive prices compared to taxi drivers.

Uber is available in Ontario, Quebec, and Alberta, and has been a target for protests and legal actions around the world. In Toronto, the UberX was legally able to operate in early 2016. This decision followed a controversial debate that lasted for months. Toronto City Council reduced regulations for taxis while asking Uber to raise its base fare.

The ability to operate a taxi cab is limited to individuals who own licences. Taxi licences are so coveted that they are passed on from generation to generation. However, when UberX was introduced in Toronto, the price competition that arose created concerns. The cost of taxi licences in Toronto fell from $360,000 to below $100,000 in 2014.



Uber has changed the way consumers obtain transportation.

Prathankarnpap/Shutterstock

Because of the disparity between what Uber charged and what Toronto taxi drivers traditionally charged, Toronto City Council had to pass certain rules to create a more fair and more competitive landscape. The rules included compensation for taxi-plate owners who were impacted in a negative way by Uber.

Uber was able to create this disruption by understanding the relationship between the allocation of drivers and the liquidity of riders. Prior to the convenience offered by Uber, there were not enough drivers for the impatient supply of riders. The Uber app offers convenience and communication to make more connections between drivers and riders, allowing Uber to better understand and manage demand.[20]

Movement Along versus Shift of a Demand Curve

Demand curve $D1$ in **Figure 9–4A** shows that as the price is lowered from $2.00 to $1.50, the quantity demanded increases from 3 million ($Q1$) to 4.5 million ($Q2$) units per year. This is an example of a *movement along a demand curve* and assumes that other factors (consumer tastes, price and availability of substitutes, and consumer income) remain unchanged.

What if some of these factors change? For example, with a more accessible online version, *Newsweek* may be able to reach more people, as its online distributions increases. Or, if consumer disposable incomes rise, this could increase demand for additional subscriptions like *Newsweek*. Now the original curve, $D1$ (the blue line in **Figure 9–4B**), no longer represents the demand; a new curve must be drawn ($D2$). Economists call this a *shift in the demand curve*—in this case, a shift to the right, from $D1$ to $D2$. This increased demand

means that more *Newsweek* magazines are wanted for a given price: At a price of $2, the demand is 6 million units per year ($Q3$) on $D2$ rather than 3 million units per year ($Q1$) on $D1$.

Tipping Etiquette

Canada	15% on the total bill before tax 20% for exceptional service
Other Parts of the World	10%

Source: Sarah Anderson, "Here's how tipping in Canada stacks up to the rest of the world [MAP]," *The Daily Hive*, January 5, 2023, accessed at https://dailyhive.com/canada/tipping-in-canada-compared-worldwide.

When print magazines were still in demand, what price did *Newsweek* select after conducting its experiment? It kept the price at $2.00. However, through expanded newsstand distribution and more aggressive advertising, *Newsweek* was later able to shift its demand curve to the right and charge a price of $2.50 without affecting its newsstand volume.

Price Elasticity of Demand

Marketing managers must also pay attention to *price elasticity*, a key consideration related to the product's demand curve. Price elasticity refers to how sensitive consumer demand and the firm's revenues are to changes in the product's price.

A product with *elastic demand* is one in which a slight decrease in price results in a relatively large increase in demand, or units sold. The reverse is also true: with elastic demand, a slight increase in price results in a relatively large decrease in demand. Marketing experiments on products that are price sensitive, such as cola, coffee, and snack foods, show them often to have elastic demand. So marketing managers may cut prices to increase the demand, the units sold, and total revenue for one of these products, depending on what competitors' prices are. The demand for many consumer products is elastic—think jeans, DVDs, and car stereos.

One major factor influencing the elasticity of demand is the availability of substitute products. If consumers can easily find close substitutes for a good or service, the product's demand tends to be elastic.

In contrast, a product with *inelastic demand* means that slight increases or decreases in price will not significantly affect the demand, or units sold, for the product. Products and services considered as necessities, such as hydro or going to the dentist, usually have inelastic demand.

What about gasoline for your car? Will an increase of a few cents per litre cause you to drive fewer kilometres and buy less gasoline? No? Then you're like millions of other consumers, which is why gasoline has inelastic demand. This means that an increase of a few cents per litre may have a relatively minor impact on the number of litres sold, and may increase the total revenue of the gasoline producer.

Inelastic demand is usually a relatively short-term phenomenon. Consumers, when they are faced with high prices for something they have to have, will seek out an alternative, and/or producers will see an opportunity to develop a new product. A hybrid car is, in some ways, a producer's response to high gas prices. Or maybe you could learn to love the bus!

Another example of inelastic demand is when buyers are less price-sensitive when the product they are buying is unique or is high in quality and prestige. In this case, consumers perceive that the high price means more quality and the demand for that product will not suffer very much. In some cases, a higher price may result in higher sales, which results in the demand curve actually sloping upward.

The ability to access product information online has changed the elasticity of demand for some products. In the past, a consumer's choice when considering buying a product was limited to the number of bricks-and-mortar stores available. Now, there are many more choices of suppliers to choose from. The large number of suppliers competing with each other has led to lower prices on products that were once available only in stores. The availability of different suppliers online combines to create more products with elastic demand.

Fundamentals of Estimating Revenue

While economists may talk about demand curves, marketing executives are more likely to speak in terms of revenues generated. Demand curves lead directly to an essential revenue concept central to pricing decisions: **total revenue**. As summarized in **Figure 9–5**, total revenue (TR) equals the unit price (P) times the quantity sold (Q). Using this equation, let's

recall our picture frame shop and assume our annual demand has improved so that we can set a price of $100 per picture and sell 400 pictures per year. So,

$$\begin{aligned} \text{TR} &= \text{P} \times \text{Q} \\ &= \$100 \times 400 \\ &= \$40,000 \end{aligned}$$

Figure 9–5 Total revenue concept

Total revenue (TR) is the total money received from the sale of a product. If

TR = Total revenue

P = Unit price of the product

Q = Quantity of the product sold

Then

TR = P × Q

This combination of price and quantity sold annually will give us a total revenue of $40,000 per year. Is that good? Are you making money, making a profit? Total revenue is only part of the profit equation that we saw earlier:

$$\text{Total profit} = \text{Total revenue} - \text{Total cost}$$

The next section covers the other part of the profit equation: cost.

Critical Thinking for Marketing

1. *What is loss leader pricing?*
2. *What are three demand factors other than price that are used in estimating demand?*
3. *What is the difference between movement along a demand curve and a shift in a demand curve?*

Determining Cost, Volume, and Profit Relationships

LO 4 While revenues are the monies received by the firm from selling its products or services to customers, costs or expenses are the monies the firm pays out to its employees and suppliers. Marketing managers often use break-even analysis to relate revenues and costs, topics covered in this section.

The Importance of Controlling Costs

Understanding the role and behaviour of costs is critical for all marketing decisions, particularly pricing decisions. Many firms go bankrupt because their costs get out of control, causing their total costs to exceed their total revenues over an extended period of time. This is why sophisticated marketing managers make pricing decisions that balance both their revenues and costs. Three cost concepts are important in pricing decisions: **total cost**, **fixed cost**, and **variable cost** (Figure 9–6).

Figure 9–6 Total cost concept

Fixed cost (FC) is the sum of the expenses of the firm that are stable and do not change with the quantity of product that is produced and sold. Examples of fixed costs are rent on the building, executive salaries, and insurance.

Variable cost (VC) is the sum of the expenses of the firm that vary directly with the quantity of product that is produced and sold. Examples are the direct labour and direct materials used in producing the product. Variable cost expressed on a per unit basis is called *unit variable cost (UVC)*.

$$TC = FC + VC$$

Total cost (TC) is the total expense incurred by a firm in producing and marketing the product. Total cost is the sum of fixed cost and variable cost.

Break-Even Analysis

LO 5 Marketing managers often employ an approach that considers cost, volume, and profit relationships, based on the profit equation. **Break-even analysis** is a technique that analyzes the relationship between total revenue and total cost to determine profitability at various levels of output. The *break-even point (BEP)* is the quantity at which total revenue and total cost are equal. Profit comes from any units sold after the BEP has been reached. In terms of the definitions in **Figure 9–6**,

$$\text{BEP}_{\text{Quantity}} = \frac{\text{Fixed cost}}{\text{Unit price} - \text{Unit variable cost}}$$

Calculating a Break-Even Point

Consider again your picture frame store. Suppose that you wish to identify how many pictures you must sell to cover your fixed cost at a given price. Let's assume demand for your framed pictures has increased, so the average price customers are willing to pay for each picture is $100. Also, suppose your fixed cost (FC) has grown to $28,000 (for real estate taxes, interest on a bank loan, and other fixed expenses) and unit variable cost (UVC) for a picture is now $30 (for labour, glass, frame, and matting). Your break-even quantity ($\text{BEP}_{\text{Quantity}}$) is 400 pictures, as follows:

$$\begin{aligned}\text{BEP}_{\text{Quantity}} &= \frac{\text{Fixed cost}}{\text{Unit price} - \text{Unit variable cost}} \\ &= \frac{\$28{,}000}{\$100 - \$30} \\ &= 400 \text{ pictures}\end{aligned}$$

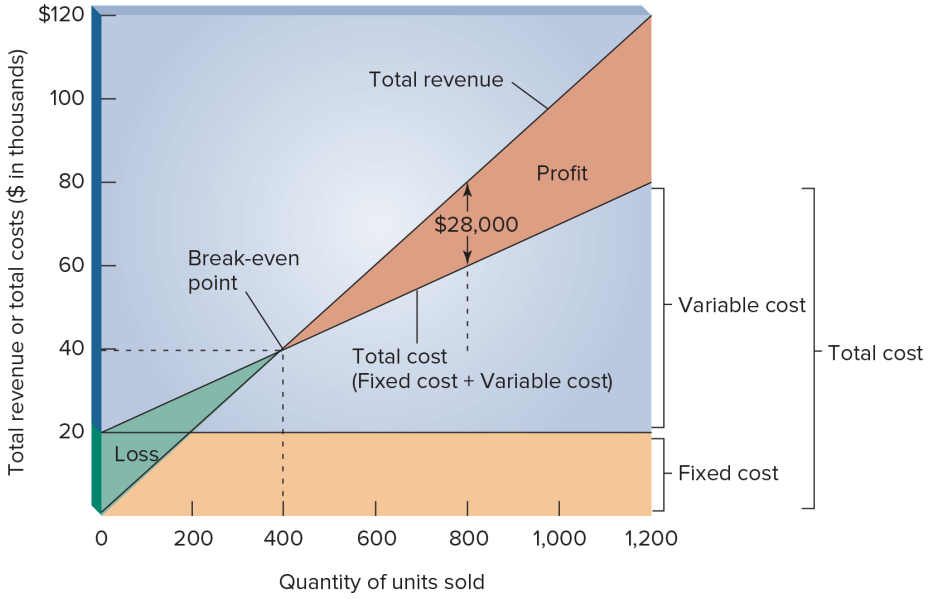
The bolded row in **Figure 9–7** shows that your break-even quantity at a price of $100 per picture is 400 pictures. At less than 400 pictures, your picture frame store incurs a loss, and at more than 400 pictures it makes a profit. **Figure 9–7** also shows that if you could double your annual picture sales to 800, your store would make a profit of $28,000—the row bolded and highlighted in the figure.

Figure 9–7 Calculating a break-even point for a picture frame store

Quantity of pictures sold (Q)	Price per picture (P)	Total revenue (TR) = (P × Q)	Unit variable cost (UVC)	Total variable cost (TVC) = (UVC × Q)	Fixed cost (FC)	Tota (T = (FC
0	$100	$0	$30	$0	$28,000	$28
200	100	20,000	30	6,000	28,000	34
400	**100**	**40,000**	**30**	**12,000**	**28,000**	**40**
600	100	60,000	30	18,000	28,000	46
800	**100**	**80,000**	**30**	**24,000**	**28,000**	**52**
1,000	100	100,000	30	30,000	28,000	58
1,200	100	120,000	30	36,000	28,000	64

Figure 9–8 shows a graphic presentation of the break-even analysis, called a *break-even chart.* It shows that total revenue and total cost intersect and are equal at a quantity of 400 pictures sold, which is the break-even point at which profit is exactly $0. You want to do better? If your frame store could double the quantity sold annually to 800 pictures, the graph in **Figure 9–8** shows that you can earn an annual profit of $28,000, as shown by the row shaded in green in **Figure 9–7**.

Figure 9–8 Break-even analysis for a picture frame store



Applications of Break-Even Analysis

Because of its simplicity, break-even analysis is used extensively in marketing, most frequently to study the impact on profit of changes in price, fixed cost, and variable cost. The mechanics of break-even analysis are the basis of the widely used electronic spreadsheets such as Microsoft Excel that permit managers to answer hypothetical "what-if" questions about the effect of changes in price and cost on their profit.

Critical Thinking for Marketing

1. *Why is it important to differentiate between fixed costs and variable costs?*
2. *Why is the break-even point so important to understand for marketers?*

Pricing Objectives and Constraints

LO 6 With such a variety of alternative pricing strategies available, marketing managers must consider the pricing objectives and constraints that will impact their decisions. While pricing objectives frequently reflect corporate goals, pricing constraints often relate to conditions existing in the marketplace.

Identifying Pricing Objectives

Pricing objectives specify the role of price in an organization's marketing and strategic plans. To the extent possible, these pricing objectives are carried to lower levels in the organization, such as in setting objectives for marketing managers responsible for an individual brand. These objectives may change, depending on the financial position of the company as a whole, the success of its products, or the segments in which it is doing business. H. J. Heinz, for example, has specific pricing objectives for its Heinz ketchup brand that vary by country.

Profit

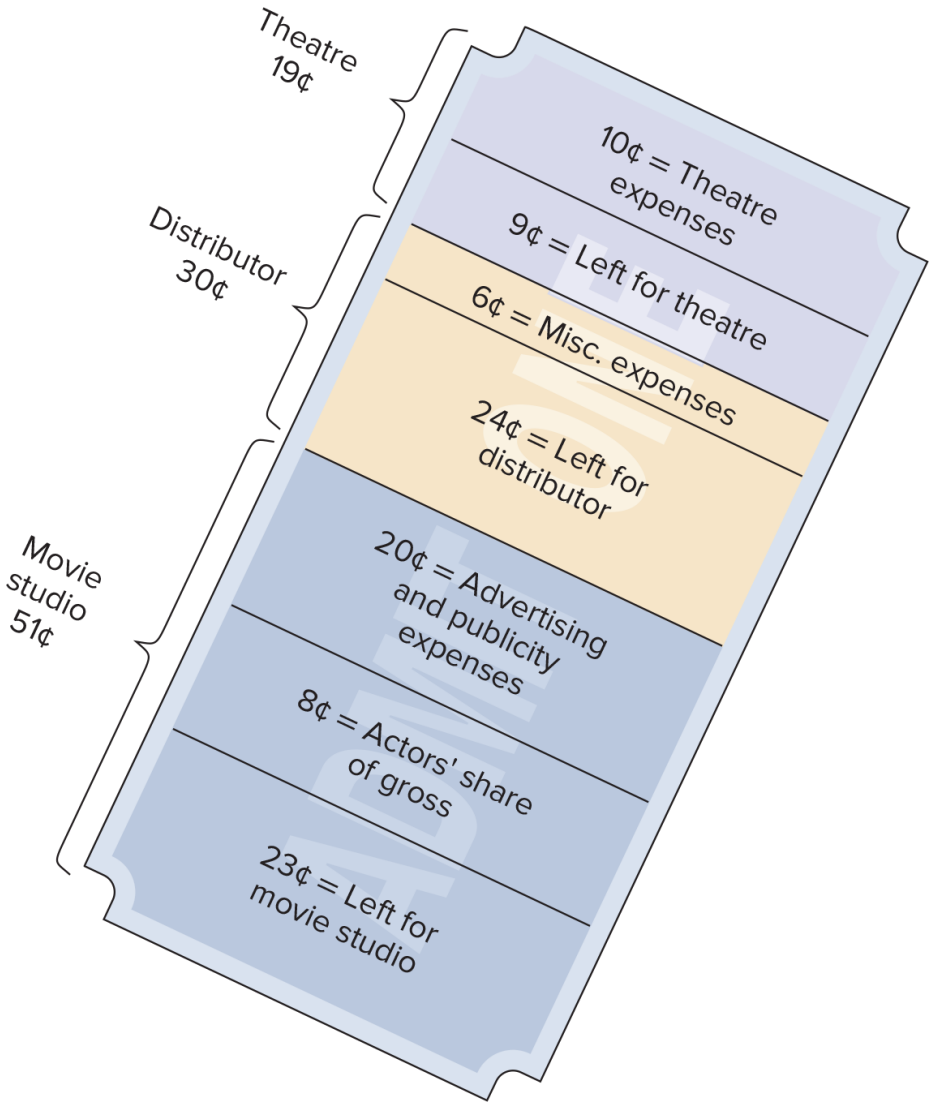
Three different objectives relate to a firm's profit, which is often measured in terms of return on investment (ROI). These objectives have different implications for pricing strategy. One objective is *managing for long-run profits*, in which a company—such as many Japanese car or TV set manufacturers—gives up immediate profit in exchange for achieving a higher market share. Products are priced relatively low compared to their cost to develop, but the firm expects to make greater profits later because of its high market share.

A *maximizing current profit* objective, such as for a quarter or year, is common in many firms because the targets can be set and performance measured quickly. North American firms are sometimes criticized for this short-run orientation.

A third profit objective is a *target return* objective that occurs when a firm sets its price to achieve a profit goal (such as 20 percent for return on investment), usually determined by its board of directors. These three profit objectives have different implications for a firm's pricing objectives.

Another profit consideration for firms such as movie studios and manufacturers is to ensure that those firms in their channels of distribution make adequate profits. You may be concerned about the price of seeing a movie in the theatres; however, that money is not all kept by the movie theatres. **Figure 9–9** shows where each dollar of your movie ticket goes. The 51 cents the movie studio gets must cover its profit plus the cost of making and marketing the movie. Although the studio would like more than 51 cents of your dollar, it settles for this amount to make sure theatres and distributors are satisfied and willing to handle its movies. This distribution of revenue is also why movie theatres need strategic partnerships and other means of increasing revenue through concessions or VIP services.

Figure 9–9 Where each dollar of your movie ticket goes



Sales

As long as a firm's profit is high enough for it to remain in business, an objective may be to increase sales revenue, which will in turn lead to increases in market share and profit. Cutting the price on one product in a firm's line may increase its sales revenue but reduce those of related products. Objectives related to sales revenue or unit sales have the advantage of being translated easily into meaningful targets for marketing managers responsible for a product line or brand.

Market Share

Market share is the ratio of the firm's sales to those of the industry (competitors plus the firm itself). Companies often pursue a market share objective when industry sales are relatively flat or declining. For example, the cola market is declining, but Coke wants to keep its market share by retaining its piece of a dwindling pie. Although increased market share is a primary goal of some firms, others see it as a means to increasing sales and profits.

Adopting a market share objective does not always imply low price. The lowest-priced brand rarely has the highest market share. Tropicana orange juice, French's mustard, and Heinz ketchup are market share leaders and are all premium-priced. Brands such as these retain their market share positions because they offer value to consumers.

Volume

Many firms use volume, the quantity produced or sold, as a pricing objective. These firms often sell the same product at several different prices, at different times, or in different places in an attempt to match customer demand with the company's production capacity. Using volume as an objective can sometimes be misleading from a profit standpoint. Volume can be increased by using sales incentives (lowering prices, giving rebates, or offering lower interest rates). By doing this, the company chooses to lower profits in the short run to sell its product quickly. For example, a new health club might focus on getting a certain number of people to join by lowering its membership prices and accepting less profit, at first.

Survival

In some instances, profits, sales, and market share are less important objectives of the firm than mere survival. Air Canada has struggled to attract passengers with low fares and aggressive promotions to improve the firm's cash flow. This pricing objective has helped Air Canada to stay alive in the competitive airline industry.

Social Responsibility

A firm may forgo higher profit on sales and follow a pricing objective that recognizes its obligations to customers and society in general. Gerber supplies a specially formulated product free of charge to children who cannot tolerate foods based on cow's milk.

Identifying Pricing Constraints

Factors that limit the range of price a firm may set are **pricing constraints**. Consumer demand for the product clearly affects the price that can be charged. Other constraints on price vary from factors within the organization to competitive factors outside it.

Demand for the Product Class, Product, and Brand

The number of potential buyers for a product class (cars), product (sports cars), and brand (Bugatti Veyron) clearly affects the price a seller can charge. So does whether the items are a luxury, like a Bugatti Veyron, or a necessity, like bread and a roof over your head.

Newness of the Product: Stage in the Product Life Cycle

The newer the product and the earlier it is in its life cycle, the higher the price that can usually be charged. Consider the launch of the Apple iPad. With its new technology, Apple had no other direct competition at first, so it was possible to ask consumers to pay a high initial price for this innovative product.

Sometimes, such as when nostalgia or fad factors are present, prices may rise later in the product's life cycle. The hockey jersey worn by Paul Henderson in the 1972 Summit Series was sold for over $1 million at an auction. Henderson was wearing the jersey when he scored the winning goal in Team Canada's emotional victory over the Soviets.[21]



Canadian hockey legend Paul Henderson, who scored the game-winning goal during the 1972 Summit Series against the Soviet Union, holds his original 1972 Team Canada sweater.

©Nathan Denette/The Canadian Press

Cost of Producing and Marketing the Product

In the long run, a firm's price must cover all the costs of producing and marketing a product. If the price doesn't cover these costs, the firm will fail; so, in the long run, a firm's costs set a floor under its price.

Competitors' Prices

When a firm sets its prices, an important consideration is the prices being charged by the competition. As we talked about previously, a firm has three choices: It can charge a higher price, the same price, or a lower price than its competitors. Each choice conveys a message to customers.

For example, ereaders such as Amazon's Kindle and the Sony Reader were developed as single-function devices, meant solely for use as a reader. The iPad, on the other hand, is multifunctional; it allows the user to surf the Internet as well as use it as a reader. Because the ereaders made by Sony and Amazon have a limited use, they were forced to drop their prices dramatically when the iPad came on the scene.[22] Amazon has gone on to develop its own multi-function device, introducing the Kindle Fire in 2011, which includes Internet, video, app, and gaming functionality to go along with its reader. Amazon's price for its Kindle Fire is significantly lower than the iPad, a strategy to reach consumers who are price sensitive.

A high price signifies that the firm believes its offering represents a higher value in comparison to competing products—value being quality, brand image, benefits and unique features offering extra benefits, or something as simple as instant availability. Sony is known as a firm that typically prices higher than most of its competitors. Consumers wanting quality will pay a higher price.

Charging the same price as the competition means that the firm is relying on some aspect other than price to position and differentiate its products in the minds of customers—that differentiation may be a unique attribute, widespread availability, or an intensive marketing campaign. Thinking again of consumer electronics, Panasonic, Samsung, and Sony are examples of manufacturers whose prices are close for similar products. Consumers typically buy these brands on the basis of some unique attribute of the product, or because they prefer to deal with a specific retailer.

Lower prices can be a challenge, but many firms rely on this strategy. From the company standpoint, lower prices can mean lower profits on each sale, which may need to be offset by larger volume sales. In addition, larger volumes can result in production efficiencies and lower costs. Less-well-known brands and some of the larger manufacturers such as LG use this strategy. For consumers, the lower prices often mean forgoing some aspect such as quality or brand image.

The decision to charge a certain price is impacted by marketing and pricing objectives. If winning market share is an objective, lower prices may be the solution. If being perceived as the best brand is an objective, higher prices may be part of the answer. Being known as a *market leader* based on pricing is a title that could describe firms using either strategy.

Charging prices in line with the competition earns firms the title of *market follower*. This is a conscious choice of many smaller firms manufacturing and selling similar or often the same products. Emphasis is shifted away from price to some other aspect of the marketing mix.

There are occasions where other objectives override any consideration of competitor pricing, such as selling off discontinued models or time-sensitive items (summer vacation packages, for example).

Legal and Ethical Considerations

Deciding on a final price is a complex process. In addition to the considerations we have just presented, laws and regulations that also play a role in the price decision. We will look at four of the most prominent considerations.

Price-Fixing

When competitors collaborate and conspire to set prices, they agree to increase, decrease, or stabilize a price for their benefit. This is called *price-fixing,* and it is illegal—the *Competition Act* prohibits this practice. The *Competition Act* consists of federal regulations governing most business conduct in Canada. Price-fixing usually occurs where price is the most important factor in the marketing mix.

Examples of Price-Fixing

Twelve global airlines that ran a cargo price-fixing cartel for years were hit with fines totalling $1.1 billion by European Union regulators. The European Commission slapped Air Canada with the third-smallest fine at $29.2 million.

A few years ago, one of the largest confectionery and snack companies around the world was accused of deceptive pricing practices. In 2013, Hershey Canada was fined $4 million for its role in a price-fixing chocolate cartel. The six-year investigation found that Hershey was guilty of conspiring, agreeing, or arranging to fix prices in the Canadian chocolate industry in 2007. Hershey Canada co-operated with the Competition Bureau's investigation involving a class action lawsuit resulting in Cadbury Adams Canada Inc., Nestlé Canada Inc., Mars Canada Inc., and Hershey Canada Inc. agreeing to pay more than $23 million to settle.

In a statement, John Pecman, commissioner of competition, said, “Price-fixing is a serious criminal offence, regardless of whether it is in the chocolate confectionary market or any other industry.”

Most Canadians would not think trusted organizations like Loblaws, Walmart Canada, Sobeys, and Metro could be involved in a price-fixing scheme. They were just willing to pay for their groceries as the price of bread increased by at least $1.50 between 2001 and 2015.[23]

Despite all the controversial issues that arise in the grocery industry, Canadian grocers also try to do good. The Making Responsible Decisions box, **Partnering to Make Food Affordable**, shows how Metro is doing its part to address the food inflation crisis.[24]

Making Responsible Decisions

Partnering to Make Food Affordable

In 2018, Feed Ontario launched a pilot program to help address food insecurity. In partnership with Metro, the program One More Bite redistributed food to local food banks. The program recovered unsold food products to provide meals for food bank visitors across Ontario.

The support and success of the program grew. In 2021, Feed Ontario food banks received the equivalent of 2.5 million meals from more than 220 Metro and Food Basics stores. These meals addressed the immediate needs of numerous Ontario communities.



Metro is doing its part to make food affordable.

©Ingram Publishing/SuperStock

The steady supplies from Metro allowed the food banks to plan and distribute. Steady supplies also meant the food banks did not have to purchase food for their inventory leading to cost savings. The One More Bite program provided a variety of nutritious food selections.

Furthermore, in 2022, Metro continued its support to address food insecurity. The organization donated $50 million worth of food to food banks in Ontario and Quebec. It also made a $5.5 million contribution to different causes and initiatives to help address food insecurity in Canada.

Questions

1. What are other grocery stores doing to make a positive social impact in Canada, and in your community?
2. Understanding your family's own personal consumption habits, what are some things you can do to battle food inflation?

Price Discrimination

If different prices are charged to different customers for the same or very similar goods and the same terms, *price discrimination* has occurred. The *Competition Act* prohibits this, but in order for a firm to be charged with the offence, there has to be evidence of a *a* of price discrimination—that is, that it is not just a one-time or occasional event.

Deceptive Pricing

Price offers that mislead the consumer are considered *deceptive pricing,* and this is prohibited under the *Competition Act*. **Figure 9–10** shows the most common deceptive pricing practices. Many companies across the country have been accused of deceptive pricing, but it can be difficult to police and the laws are hard to enforce. Often, regulators rely on the ethical standards of those making and publicizing pricing decisions. The Canadian Code of Advertising Standards provides guidelines for various aspects of promotion, and pricing is one of these; advertising industry members are expected to follow this Code and to self-regulate (ensure that they and their colleagues adhere to the Code).

Figure 9–10 Most common deceptive pricing practices

Deceptive Practice	Description
Bait and switch	A firm offers a very low price for a product (the bait), and when consumers come to purchase it, they are persuaded to buy a more expensive product (the switch). Uses techniques such as downgrading the advertised item or not having it in stock.
Bargains conditional on other purchases	A firm advertises “buy one, get one free” or “get two for the price of one.” If the first items are sold at the regular price, this is legal. If the price for the first items is inflated for the offer, it is not.
Price comparisons	Advertising “retail value $100—our price $85” is deceptive if a substantial number of stores in the area are not using the $100 price—in other words, if it is not the “going price.” Advertising “below manufacturer’s suggested list price” is deceptive if no sales occur at the manufacturer’s list price. Advertising that the price is reduced 50 percent is deceptive if the item was not offered for sale at the higher price for a substantial previous period of time.
Double ticketing	When more than one price tag is placed on an item, it must be sold at the lower price; this practice is not illegal, but the law requires that the lower price be charged.

An example of deceptive pricing is menswear retailer Grafton-Fraser Inc. The retailer agreed to pay a $1.2 million penalty to settle an advertising case regarding misleading sale prices. The Competition Bureau found that Grafton-Fraser had significantly inflated the regular price of certain garments sold in its stores, resulting in an overstatement of the savings to consumers when these garments were on sale.

The retailer joins other merchants, including Suzy Shier, Sears Canada Ltd., and Forzani Group Ltd., that the Competition Bureau found were inflating an item’s regular price and thereby overstating the savings of the sale price. Grafton-Fraser, the

bureau found, was tagging garments with both a regular and a sale price; however, the items did not sell "in any significant quantity or for any reasonable period of time at the regular price," the Bureau said. Grafton-Fraser runs stores across the country that operate under several names, among them Tip Top Tailors, George Richards Big & Tall, and Grafton & Co.[25]

Predatory Pricing

Charging a very low price for a product with the intent of undercutting competitors and possibly driving them out of the market is called *predatory pricing*. After the competitors have been driven out, the offending firm raises its prices. If a company can genuinely operate more efficiently than others, and this lets them offer its products at a lower price, should this be classified as predatory pricing? No! It's not easy to prove that the intent of the lower price is to eliminate a competitor, and that the prices set are unreasonably and artificially low, so there are many more charges of predatory pricing than there are convictions.

Global Pricing Strategy

Global companies face many challenges in determining a pricing strategy as part of their worldwide marketing effort. Individual countries, even those with free trade agreements, may place considerable competitive, political, and legal constraints on the pricing flexibility of global companies. For example, Walmart was told by German antitrust authorities that the prices in its stores were too low, relative to competitors, and faced a fine for violating the country's trade if the prices weren't raised![26]

Pricing too low or too high can have dire consequences. When prices appear too low in one country, companies can be charged with dumping, a practice subject to severe penalties and fines. **Dumping** occurs when a firm sells a product in a foreign country below its domestic price or below its actual cost. A recent trade dispute involving U.S. apple growers and Mexico is a case in point. Mexican trade officials claimed that U.S. growers were selling their Red and Golden Delicious apples in Mexico below the actual cost of production. They imposed a 101 percent tariff on U.S. apples, and a severe drop in U.S. apple exports to Mexico resulted. Later negotiations set a price floor on the price of U.S. apples sold to Mexico.[27]

When companies price their products very high in some countries but competitively in others, they face a grey market problem. A **grey market**, also called *parallel importing*, is a situation where products are sold through unauthorized channels of distribution. A grey market comes about when individuals buy products in a lower-priced country from a manufacturer's authorized retailer, ship them to higher-priced countries, and then sell them below the manufacturer's suggested retail price through unauthorized retailers.

Many well-known products have been sold through grey markets, including Olympus cameras, Seiko watches, and Mercedes-Benz cars. Parallel channels are not strictly illegal in Canada, but there are mounting legal challenges to them. Parallel importing is legal in the United States. It is illegal in the European Union.[28]

Critical Thinking for Marketing

1. *Differentiate between pricing objectives and pricing constraints.*
2. *Using an example, explain what bait and switch is and why it is a deceptive pricing practice.*

Setting a Final Price

LO 7 The final price set by the marketing manager serves many functions. It must be high enough to cover the cost of providing the product *and* meet the objectives of the company. Yet it must be low enough that customers are willing to pay it. But not too low, or customers may think they're purchasing an inferior product. Confused? Setting a price is one of the most difficult tasks the marketing manager faces, but four generalized steps are useful to follow.

Step 1: Select an Approximate Price Level

Before setting a final price, the marketing manager must understand the market environment, the features and customer benefits of the particular product, and the goals of the firm. A balance must be struck between factors that might drive a price higher (such as a profit-oriented approach) and other forces (such as increased competition from substitutes) that may drive a price down.

Marketing managers consider pricing objectives and constraints first, and then choose among the general pricing approaches—demand, cost, profit, or competition oriented—to arrive at an approximate price level. This price is then analyzed in terms of cost, volume, and profit relationships. Break-even analyses may be run at this point, and finally, if this approximate price level "works," it is time to take the next step: setting a specific list or quoted price.

Step 2: Set the List or Quoted Price

A seller must decide whether to follow a one-price or flexible-price policy.

One-Price Policy

A *one-price policy* involves setting one price for all buyers of a product or service. For example, when you buy a product at Walmart, you are offered the product at a single price. You can decide to buy it or not, but there is no variation of the price under the seller's one-price policy. Some retailers such as Dollarama married this policy with a below-market

approach and used to sell mostly everything in their stores for $1! Dollarama has added more products at prices ranging from $1.25 to $4.



Dollarama previously used a one-price policy.

kevin brine/Shutterstock

Flexible-Price Policy

In contrast, a *flexible-price policy* involves setting different prices for products and services depending on individual buyers and purchase situations in light of demand, cost, and competitive factors. Dell Computer adopted flexible pricing as it continually adjusts prices in response to changes in its own costs, competitive pressures, and demand from its various personal computer segments (home, small business, corporate, and so on). "Our flexibility allows us to be [priced] different even within a day," says a Dell spokesperson.[29]

> *"Is it any wonder that 60 percent of prospective car buyers dread negotiating the price?"*

Flexible pricing is not without its critics because of its discriminatory potential. For example, car dealers have traditionally used flexible pricing on the basis of buyer–seller negotiations to agree on a final price. Is it any wonder that 60 percent of prospective car buyers dread negotiating the price?

Step 3: Make Special Adjustments to the List or Quoted Price

LO 8 When you pay $2 for a bag of M&Ms in a vending machine or receive a quoted price of $15,000 from a contractor to renovate a kitchen, the pricing sequence ends with the last step just described: setting the list or quoted price. But when you are a manufacturer of M&M candies and sell your product to dozens or hundreds of wholesalers and retailers in your channel of distribution, you may need to make a variety of special adjustments to the list or quoted price. Wholesalers also must adjust list or quoted prices they set for retailers. Three special adjustments to the list or quoted price are discounts, allowances, and geographical adjustments.

Discounts

Discounts are reductions from list price that a seller gives a buyer as a reward for some activity of the buyer that is favourable to the seller. Four kinds of discounts are especially important in marketing strategy: quantity, seasonal, trade (functional), and cash.[30]

- **Quantity discounts:** To encourage customers to buy larger quantities of a product, firms at all levels in the channel of distribution offer quantity discounts, which are reductions in unit costs for a larger order. For example, an instant photocopying service might set a price of 10 cents a copy for 1 to 24 copies, 9 cents a copy for 25 to 99, and 8 cents a copy for 100 or more. Because the photocopying service gets more of the buyer's business and has longer production runs that reduce its order-handling costs, it is willing to pass on some of the cost savings in the form of quantity discounts to the buyer.
- **Seasonal discounts:** To encourage buyers to stock inventory earlier than their normal demand would require, manufacturers often use seasonal discounts. A firm such as Toro that manufactures lawn mowers and snow blowers offers seasonal discounts to encourage wholesalers and retailers to stock up on lawn mowers in January and February and on snow blowers in July and August—months before the seasonal demand by ultimate customers. This enables Toro to smooth out seasonal manufacturing peaks and troughs, thereby contributing to more-efficient production. It also rewards wholesalers and retailers for the risk they accept in assuming increased inventory carrying costs and gives them the benefit of having supplies in stock at the time they are wanted by customers.



Toro uses seasonal discounts to stimulate consumer demand and smooth out seasonal manufacturing peaks and troughs.

©Daniel Acker/Bloomberg via Getty Images

"Although the manufacturer may suggest trade discounts, the sellers are free to alter the discount schedule depending on their competitive situation."

- **Trade (functional) discounts:** To reward wholesalers and retailers for marketing functions they will perform in the future, a manufacturer often gives trade, or functional, discounts. These reductions in the list or base price are offered to resellers in the channel of distribution on the basis of where they are in the channel and the marketing activities they are expected to perform in the future.
  Traditional trade discounts have been established in various product lines such as hardware, food, and pharmaceutical items. Although the manufacturer may suggest trade discounts, the sellers are free to alter the discount schedule depending on their competitive situation. Suppose that a manufacturer quotes prices in the following form:

  List price − $100, less 30/10/5

  The first number in the percentage sequence (in this example, 30/10/5) always refers to the retail end of the channel, and the last number always refers to the wholesaler or jobber closest to the manufacturer in the channel. The trade discounts are simply subtracted one at a time. This price quote shows that $100 is the manufacturer's suggested retail price:
  - For the retailer, 30 percent of the suggested retail price ($\$100 \times 0.3 = \$30$) is available to cover costs and provide a profit.

- Wholesalers closest to the retailer in the channel get 10 percent of their selling price ($\$70 \times 0.1 = \$7$).
- The final group of wholesalers in the channel (probably jobbers) that are closest to the manufacturer get 5 percent of their selling price ($\$63 \times 0.05 = \$3.15$).

Thus, starting with the manufacturer's retail price and subtracting the three trade discounts shows that the manufacturer's selling price to the wholesaler or jobber closest to the manufacturer is $59.85 (see **Figure 9–11**).

- **Cash discounts:** To encourage retailers to pay their bills quickly, manufacturers offer them cash discounts. Suppose that a retailer receives a bill quoted at $1,000, 2/10 net 30. This means that the bill for the product is $1,000, but the retailer can take a two percent discount ($\$1,000 \times 0.02 = \$20$) if payment is made within 10 days and send a cheque for $980. If the payment cannot be made within 10 days, the total amount of $1,000 is due within 30 days. It is usually understood by the buyer that an interest charge will be added after the first 30 days of free credit.
  Retailers provide cash discounts to consumers, as well, to eliminate the cost of credit granted to consumers. These discounts take the form of discount-for-cash policies.

Figure 9–11 How trade discounts work



Allowances

Allowances—like discounts—are reductions from list or quoted prices to buyers for performing some activity.

- **Trade-in allowances:** A new car dealer can offset the list price of that new Toyota Camry by offering you a trade-in allowance of $500 for your old Honda. A trade-in allowance is a

price reduction given when a used product is part of the payment on a new product. Trade-ins are an effective way to lower the price a buyer has to pay without formally reducing the list price.

- **Promotional allowances:** Sellers in the channel of distribution can qualify for promotional allowances for undertaking certain advertising or selling activities to promote a product. Various types of allowances include an actual cash payment or an extra amount of "free goods" (as with a free case of pizzas to a retailer for every dozen cases purchased). Frequently, a portion of these savings is passed on to the consumer by retailers.

Geographical Adjustments

Geographical adjustments are made by manufacturers or even wholesalers to list or quoted prices to reflect the cost of transportation of the products from seller to buyer. The two general methods for quoting prices related to transportation costs are FOB origin pricing and uniform delivered pricing.

- **FOB origin pricing:** FOB means "free on board" some vehicle at some location, which means the seller pays the cost of loading the product onto the vehicle that is used (such as a barge, railroad car, or truck). FOB origin pricing usually involves the seller's naming the location of this loading as the seller's factory or warehouse (such as FOB Montreal or FOB factory). The title to and ownership of the goods passes to the buyer at the point of loading, so the buyer becomes responsible for picking the specific mode of transportation, for all the transportation costs, and for subsequent handling of the product. Buyers furthest from the seller face the big disadvantage of paying the higher transportation costs.
- **Uniform delivered pricing:** When a uniform delivered pricing method is used, the price the seller quotes includes all transportation costs. It is quoted in a contract as "FOB buyer's location," and the seller selects the mode of transportation, pays the freight charges, and is responsible for any damage that may occur because the seller retains title to the goods until delivered to the buyer.

Step 4: Monitor and Adjust Prices

Rarely can a firm set a price and leave it at that. As you have learned, there are many constraints that affect setting prices, and the firm has objectives that it also takes into account. Things change both in the external business environment and within the firm itself; as a result, prices need to be reviewed and revised if necessary. A key activity is the monitoring of competitor activity, legislative changes, economic conditions, and—the ultimate measure—consumer demand! These factors, and their potential impact on the firm's ability to achieve its marketing goals, have to be examined and action taken when necessary.

Critical Thinking for Marketing

1. *Why would a seller choose a flexible-price policy over a one-price policy? And vice versa?*
2. *Why do companies use quantity discounts and promotional allowances? What other incentives do you think could increase demand?*

Summary...just the facts

LO 1 • Price is the money or other considerations exchanged for the ownership or use of a product or service.

- Price typically involves money and the amount exchanged can be different from the list or quoted price because of allowances and extra fees.
- When reviewing the perceived benefits of a good or service, price is used as an indicator of value by consumers.

LO 2 • Four general approaches for finding an approximate price level for a product or service:

- Demand-oriented pricing approaches stress consumer demand and revenue implications of pricing and include eight types: skimming, penetration, prestige, price lining, odd–even, target, bundle, and yield management.
- Cost-oriented pricing approaches emphasize the cost aspects of pricing and include two types: standard and cost-plus pricing.
- Profit-oriented pricing approaches focus on a balance between revenues and costs to set a price and include three types: target profit, target return on sales, and target return on investment pricing.
- Competition-oriented pricing approaches emphasize what competitors or the marketplace are doing and include three types: customary; above-, at-, or below-market; and loss-leader pricing.

LO 3 • A demand curve shows the maximum number of products consumers will buy at a given price and for a given set of (a) consumer tastes, (b) price and availability of other products, and (c) consumer income.

- The price elasticity of demand relates to the reaction of consumer demand and a firm's revenue when a price changes.

LO 4 • Marketers need to understand the total revenue and total costs when considering pricing decisions as they will determine their ability to generate an appropriate profit.

LO 5 • Break-even analysis shows the relationship between total revenue and total cost at various quantities of output for given conditions of price, fixed cost, and variable cost.

- The break-even point is where total revenue and total cost are equal.

LO 6 • Pricing objectives, which specify the role of price in a firm's marketing strategy, may include pricing for profit, sales revenue, market share, unit sales, survival, or some socially responsible price level.

- Pricing constraints such as demand, product newness, costs, competitors, other products sold by the firm, and the type of competitive market restrict a firm's pricing range.

LO 7 • In setting a final price, Step 1 is to set an approximate price level.

- Setting the list or quoted price is Step 2.
- Step 3 involves making special adjustments to prices through discounts and allowances.
- Finally, Step 4 requires marketers to monitor and adjust prices.

LO 8 • Geographical adjustments to price reflect the cost of transportation.

- Organizations can reward buyers by offering discounts such as quantity discounts or seasonal discounts that also work in favour of the seller.
- When buyers perform an activity, they can sometimes receive allowances or reductions to listed or quoted prices.

Key Terms and Concepts...a refresher

above-, at-, or below-market pricing

barter

break-even analysis

bundle pricing

cost-plus pricing

customary pricing

demand curve

dumping

fixed cost

grey market

loss-leader pricing

markup

odd–even pricing

penetration pricing

prestige pricing

pricing constraints

pricing objectives

profit equation

skimming pricing

standard markup pricing

target profit pricing

target return-on-investment pricing

target return-on-sales pricing

total cost

total revenue

value

variable cost

Hands-on... APPLY YOUR KNOWLEDGE

Pricing Your Goods Review the **Marketing Matters** box about the food inflation crisis. Consider that you were a gourmet baker in a small town in British Columbia. Determine how many $7 loaves of bread you would have to sell to break even if the annual fixed costs for your store were $45,000 annually and variable cost to create one loaf of bread was $2.

Chapter Vignette… ACTIVITY

Effective marketing requires individuals with a variety of skill sets. Although creativity is an important skill in this discipline, the ability to analyze figures and data is crucial in developing marketing strategy. Review this chapter's vignette about InXpress and the importance of key marketing calculations for developing an appropriate pricing strategy. In your class, work with a group to estimate the price to ship one widget from Vancouver, British Columbia, to Halifax, Nova Scotia. Estimate a cost your organization will charge to do the shipment, and complete break-even analyses and return-on-investment calculations to determine the demand required have a profitable business.

Marketing YOU

Price is the money exchanged for goods and services and the price paid goes by many names. In fact, as an employee you are exchanging your services for a fee or salary. A meaningful career ideally pays well, allowing you to be financially independent. You've identified what you love, what you are good at and what the world needs. You have researched what careers and skills will be in demand and are preparing yourself. Yet, how do you prepare yourself to know your value to an employer? Remember, the value of a product or service goes up as the perceived benefits increase. You want to be sure to show the employer the benefits you bring to the organization.

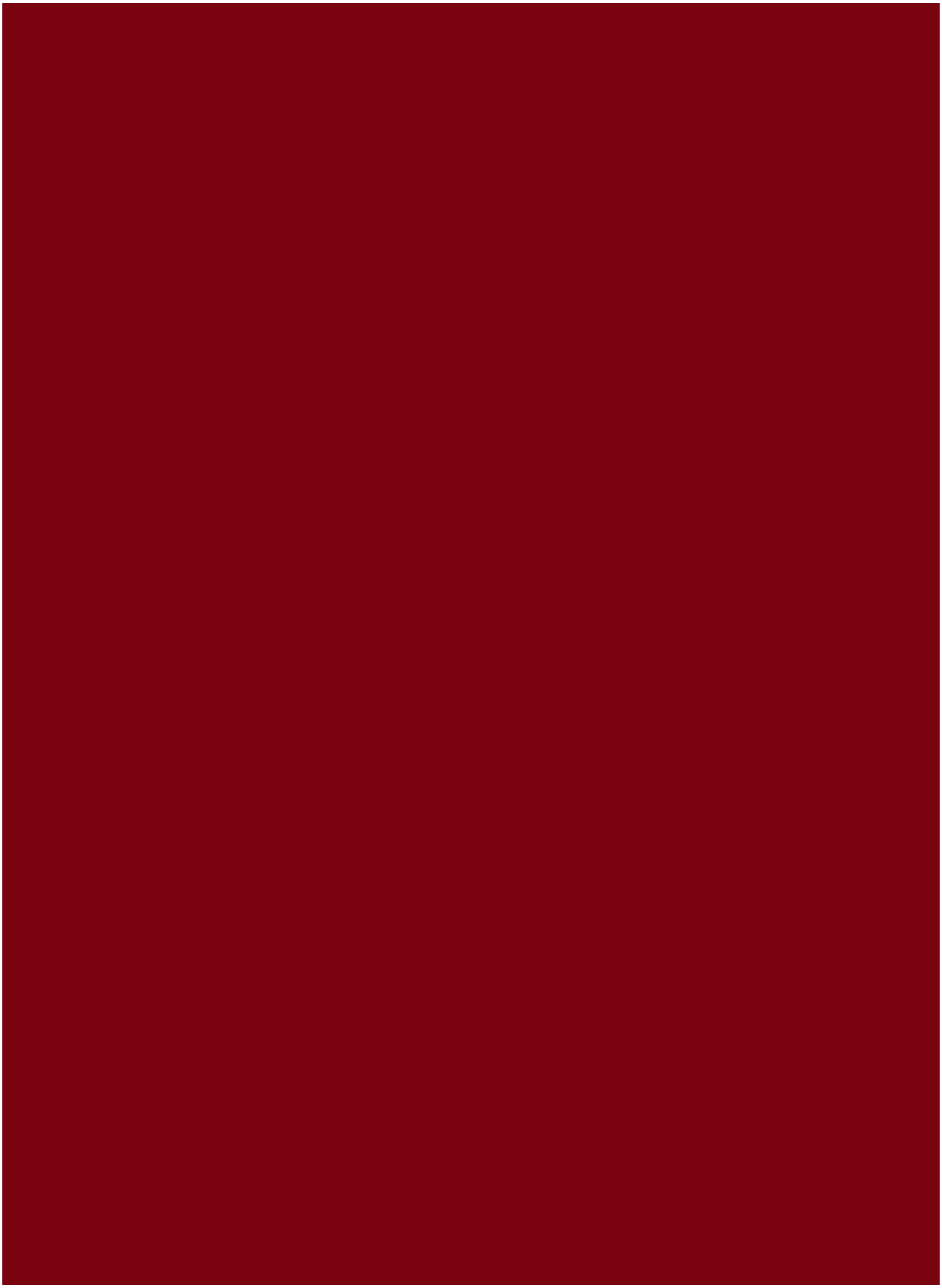
You can prepare yourself for a salary discussion in an interview by gathering information from salary tools on job search websites such as **Monster.ca** and **Indeed.com**. This information can help you determine your value and your target salary.

When you are in an interview, the employer may ask you what salary you have in mind. If they do ask this question, before you answer, ask them to share with you the role's salary range. Once you know the salary range, you can then determine if your target salary is within the range or not. Next, reflect on the level of experience you bring to this role and be prepared to explain how your experience can inform where you might be placed within that range. Your level of experience, plus knowing your market value, may make it possible for you to advocate where to be placed within the salary range. The more experience you have, the better the chance that you could be placed in the middle or higher end of the range.

Activity:

Visit the salary tools at **Monster.ca** and **Indeed.com**. Go to each website and select a job title that you are interested in and search for the salary for that role for the city of your choice.

1. Compare the results from the two website searches. How do the results compare?
2. Select another city and compare the salaries for the same job title in a different city. What were the results?



Chapter 10
Marketing Channels and Supply Chains



Blue Sea Foundation

LEARNING OBJECTIVES

LO 1 Explain what is meant by a marketing channel and the value created by intermediaries

LO 2 Distinguish among traditional marketing channels, electronic marketing channels, and different types of vertical marketing systems

LO 3 Describe factors that marketing executives consider when selecting and managing a marketing channel

LO 4 Discuss supply chain and logistics management and how they relate to marketing strategy

CHAPTER OUTLINE

- Strategic use of marketing channels
- Nature and importance of marketing channels
- Channel structure and organization
- Vertical marketing systems
- Channel choice and management
- Logistics and supply chain management

CHAPTER FEATURES

Low Supply Puts Pressure on Chains

Supply chain challenges linger after the COVID-19 pandemic.

Soft Drinks Lessen Hard Environmental Impact

Sprite switches to clear bottles that can be recycled.

Charities and not-for-profit organizations face many challenges daily. Financial resources and volunteers are two of the main ones that come to mind. Some organizations have grown to provincial and national status, allowing economies of scale to address financial and human resource issues. Smaller organizations that might be focused on a region of Canada need a different solution.

Almost a decade ago, Jim Heuving began a venture to make the lives better for others in his community. He founded the Cloverdale Community Kitchen (CCK) in Surrey, British Columbia, when the City of Surrey and the RCMP approached Pacific Community Church to provide meals for the homeless after another charitable organization was forced to close its kitchen.

Starting small, the CCK grew into an organization that now serves 45,000 hot, nutritious meals through its dinner program. It also helps over 800 people with food and toys through the Christmas Hamper Program. The CCK is an emergency weather shelter, provides clothes to those in need, and supports people in their search for housing and employment, but it was not always this easy.

The new social enterprise faced the same challenges as many start-up organizations: the need for resources and infrastructure. To fulfil its mission of alleviating poverty in Cloverdale, Surrey, and Langley, the CCK needed more marketing support than it had access to. The need to let others know about its services had to be addressed.

In 2020, Canadians donated a median of $340 to charities, with more than a quarter of tax filers donating more than a $1,000. For charities, donations are essential for their ongoing survival. Like a small business, newer charities require a great deal of hard work and commitment to get started. Additional help and resources are always welcome.

“When you are starting out as a not-for-profit, you have a number of enthusiastic and energetic individuals working together to make a difference,” says Jim. “However, that enthusiasm needs to be matched up with resources and contacts to be successful.” By partnering with Blue Sea Foundation, the CCK was featured as an organization supported by the Coldest Night of the Year. Now, the CCK had more exposure under a well-recognized marketing banner to reach Canadians that wanted to support their important cause.

The Coldest Night of the Year is a fundraising walk supporting local charity partners across Canada. The charities provide essential care and service for people experiencing homelessness, hurt, and hunger. Since 2011, the Coldest Night of the Year has raised over $43,500,000 in almost 150 communities across Canada. It is quite an accomplishment to get tens of thousands of Canadians walking together in February to help those less fortunate.

The Coldest Night of the Year is simply one of the initiatives Blue Sea Foundation promotes to help charities across Canada. The strategy is similar to that used by wholesaler-sponsored **voluntary chains** supporting independent retailers. By coordinating and standardizing practices, independent retailers can achieve volume discounts and economies of scale. By applying the same thinking to social enterprise, charities can receive marketing support, develop collaborative relationships, and have a more significant impact than if they ventured into fundraising on their own.

"We find that we are most successful when we connect charitable organizations directly with corporations looking to make a difference," says Jim. "These relationships are difficult to develop for smaller charities, so we do our best to provide a forum to facilitate those introductions. Intermediaries are essential to creating value and good business." Whether it is the Coldest Night of the Year in February, The Grand Parade in September, or Ride for Refuge in October, Blue Sea Foundation facilitates giving in Canada.

Not only did the partnership with Blue Sea Foundation change many lives associated with the Cloverdale Community Kitchen, Jim joined the Blue Sea Foundation team to help other charitable organizations get the support they needed to successfully support their communities. As the individual responsible for Corporate & Community Partnerships, Jim works today to help individuals who are in the same situation he struggled with years ago. "The role aligns deeply with my convictions that 'justice-oriented' relationships, for all people, should be pursued, despite the odds, with persistence and sacrifice."[1]

***reality* CHECK**

As you read Chapter 10, refer back to the Blue Sea Foundation vignette to answer the following questions:

- Blue Sea Foundation uses a strategy similar to wholesaler-sponsored voluntary chains to increase marketing exposure for local charities. What are other companies that use a similar strategy?
- As a start-up business or local charity, what benefits would a wholesaler-sponsored voluntary chain provide you?

Nature and Importance of Marketing Channels

LO 1 Reaching potential buyers is an essential part of successful marketing. Buyers benefit from well-structured and efficient distribution systems. The route to doing this is direct in some cases and indirect in others.

Getting the product to the consumer is another key component of the marketing mix. In order to ensure an established place for consumers to acquire the product or service, marketers need to understand the distribution and supply chain aspects of bringing a product to market. Good marketers understand the value of the supply chain to perform the activities required to deliver a good or service to customers.

What Is a Marketing Channel?

You see the results of distribution every day. You may have purchased Lay's potato chips at Mac's convenience store, a book through chapters.indigo.ca, or Levi's jeans at Hudson's Bay. Each of these items was brought to you by a marketing channel of distribution, or simply a marketing channel. A **marketing channel** consists of individuals and firms involved in the process of making a product or service available.

Marketing channels can be compared with a pipeline through which water flows from a source to an endpoint. Marketing channels make possible the flow of goods from a producer, through **intermediaries**, to a buyer. There are several types of intermediaries, as shown in **Figure 10–1**.

Intermediaries go by various names and perform various functions. Some intermediaries actually purchase items from the producer, store them, and resell them to buyers. For example, Nestlé Canada produces Aero chocolate bars and sells them to wholesalers. The wholesalers then sell the bars to independent convenience and grocery stores, which in turn sell them to consumers. Other intermediaries, such as brokers and agents, represent sellers but do not actually ever own the products; their role is to bring a seller and buyer together. Real estate agents are examples of this type of intermediary.

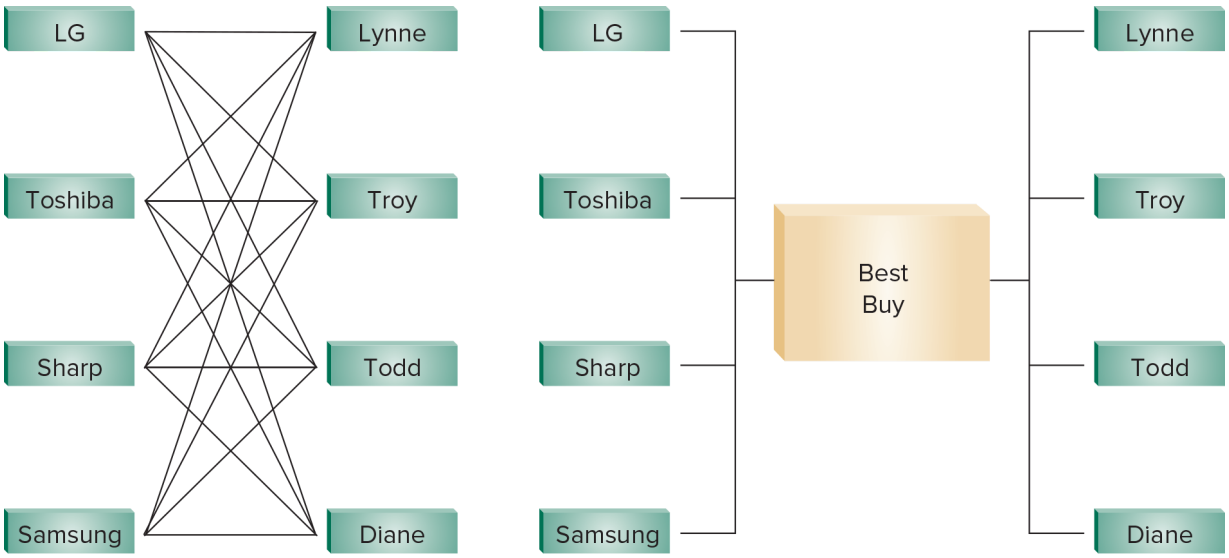
Figure 10–1 Terms used for marketing intermediaries

Term	Description
Middleman	Another name for intermediary
Agent or broker	Any intermediary with legal authority to act on behalf of another channel member (for example, a manufacturer)
Wholesaler	Any intermediary who sells to other intermediaries, usually to retailers—this term usually applies to intermediaries who deal in consumer goods
Retailer	An intermediary who sells to consumers
Distributor	A general term used to describe intermediaries who perform a variety of functions, including selling, maintaining inventories, extending credit, and others—usually used for those in business markets
Dealer	A general term that can mean the same as a distributor, a retailer, or a wholesaler

Value Is Created by Intermediaries

Few consumers appreciate the value created by intermediaries; however, producers recognize that intermediaries make selling goods and services more efficient because the intermediaries minimize the number of sales contacts a producer needs to reach a target market. **Figure 10–2** shows a simple example of how this comes about in the flat-panel TV market. Without a retail intermediary (such as Best Buy), LG, Toshiba, Sharp, and Samsung would each have to make four contacts to reach the four consumers shown, who are in the target market. When Best Buy acts as an intermediary, each producer has to make only one contact, reducing the number of industry transactions from 16 to 8, which reduces producer costs.

Figure 10–2 How intermediaries minimize transactions



Functions Performed by Intermediaries

Intermediaries make possible the flow of products from producers to ultimate consumers by performing three basic functions (see **Figure 10–3**).

- **Transactional function:** Intermediaries perform a transactional function when they buy and sell goods or services. But an intermediary such as a wholesaler also performs the function of sharing risk with the producer when it stocks merchandise in anticipation of sales. If the stock is unsold for any reason, the intermediary—not the producer—suffers the loss.

- **Logistical function:** The logistics of a transaction involve the details of preparing and getting a product to buyers. Gathering, sorting, and dispersing products are some of the logistical functions of the intermediary. Consider the crucial role intermediaries play when a company attempts to work with as many retailers and dealers as possible.
- **Facilitating function:** Finally, intermediaries perform facilitating functions that, by definition, make a transaction *easier* for buyers. For example, Canadian Tire issues credit cards to consumers so that they can buy now and pay later.



Canadian Tire Triangle Mastercards fulfil the facilitating function performed by intermediaries.

Canadian Tire Corporation, Limited

Figure 10–3 Marketing channel functions performed by intermediaries

Type of Function	Activities Related to Function
Transactional function	• *Buying:* Purchasing products for resale • *Selling:* Contacting potential customers, promoting products, and seeking orders • *Risk-taking:* Assuming business risks in the ownership of inventory
Logistical function	• *Selection:* Putting together a selection of products from several different sources • *Storing:* Assembling and protecting products at a convenient location • *Sorting:* Purchasing in large quantities and dividing into smaller amounts • *Transporting:* Physically moving a product to customers
Facilitating function	• *Financing:* Extending credit to customers • *Marketing information and research:* Providing information to customers and suppliers, including competitive conditions and trends

All three groups of functions must be performed in a marketing channel, even though each channel member may not participate in all three. Channel members often negotiate which specific functions they will perform. Sometimes disagreements result, and a breakdown in

relationships among channel members occurs. This happened when Pepsi-Cola's bottler in Venezuela switched to Coca-Cola. Given the intermediary's logistical role—storing and transporting Pepsi to Venezuelan customers—Pepsi-Cola either had to set up its own bottling operation to perform these marketing channel functions, or find another bottler, which it did. Since then, Pepsi has continued to improve its bottling procedures to control costs in difficult years and a challenging market.[2]

Consumer Benefits from Intermediaries

Consumers also benefit from the actions of intermediaries. Having the goods and services you want, when you want them, where you want them, and in the form you want them is the ideal result of marketing channels. In more specific terms, marketing channels help create value for consumers through these five utilities: time, place, form, information, and possession.

- *Time utility* refers to having a product or service when you want it. For example, SkipTheDishes provides delivery and take-out from the best restaurants near consumers while providing them with time-related updates.
- *Place utility* means having a product or service available where consumers want it, such as having a Petro-Canada gas station located on a long stretch of a provincial highway.
- *Form utility* involves enhancing a product or service to make it more appealing to buyers. For example, retail stores such as Harry Rosen and Roots provide appealing displays of their products and an environment that caters to their customers.



SkipTheDishes adds value by offering time utility to customers.

The Bold Bureau / Alamy Stock Photo

- *Information utility* means providing consumers with the information they need to make an informed choice; information-packed websites and user manuals provide this type of utility.
- *Possession utility* involves efforts by intermediaries to help buyers take possession of a product or service, such as providing various ways for payment to be made for a product—by credit card, debit card, cash, or cheque.

Critical Thinking for Marketing

1. *What is meant by a marketing channel?*
2. *What are the three basic functions performed by intermediaries?*

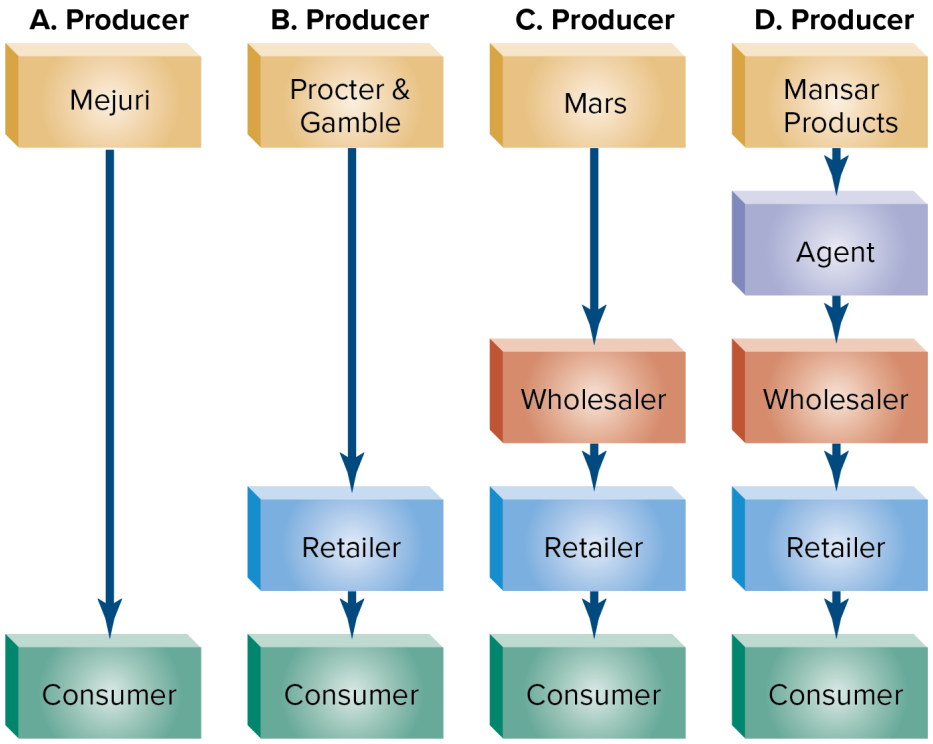
Channel Structure and Organization

LO 2 A product can take many routes on its journey from producer to buyer, and marketers search for the most efficient route from the many alternatives available. As you'll see, there are some important differences between the marketing channels for consumer goods and those for business goods.

Marketing Channels for Consumer Goods and Services

Figure 10–4 shows the four most common marketing channel configurations for consumer goods and services. It also shows the number of levels in each marketing channel—that is, the number of intermediaries between a producer and ultimate buyers. As the number of intermediaries between a producer and buyer increases, the channel is viewed as increasing in length. The producer → wholesaler → retailer → consumer channel is longer than the producer → consumer channel.

Figure 10–4 Common marketing channels for consumer goods and services



Channel A in Figure 10–4 represents a *direct channel* because a producer and ultimate consumers deal directly with each other. Many products and services are distributed this way. A number of insurance companies sell their financial services using a direct channel and branch sales offices. M&M Food Market, the Canadian frozen food retail chain, offers an online store and retail outlets. Because there are no intermediaries with a direct channel, the producer must perform all channel functions.

The remaining three channel forms are *indirect channels* because intermediaries are inserted between the producer and consumers and perform numerous channel functions. Channel B, with a retailer added, is most common when the retailer is large and can buy in large quantities from a producer. Packaged goods companies such as Procter & Gamble use this channel with large retailers such as Loblaws and Sobeys. These retailers buy in sufficient quantities to make it cost-effective for a producer to deal with only a retail intermediary.

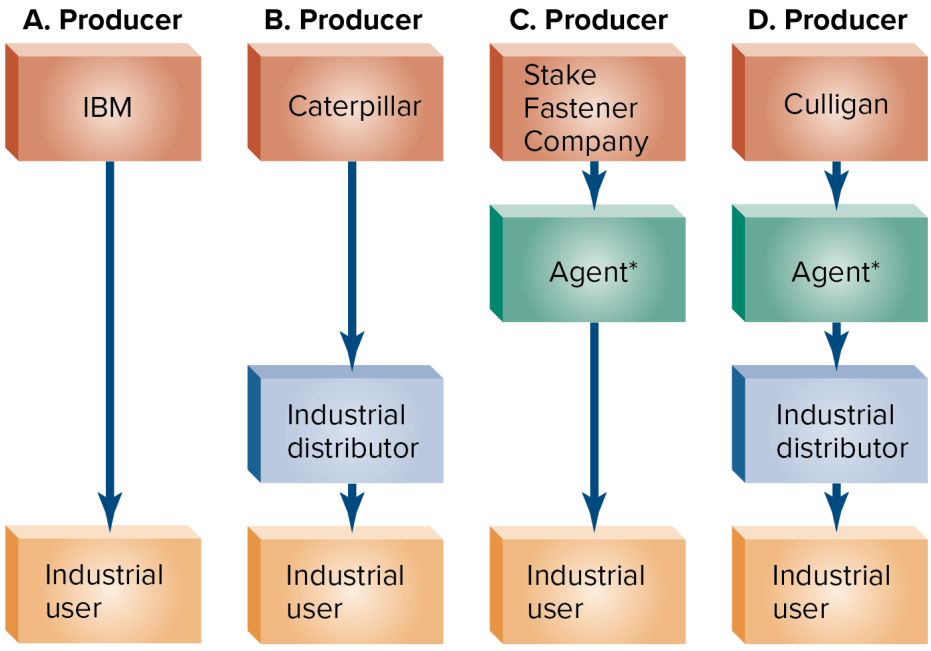
Adding a wholesaler in channel C is most common when the wholesaler sells to small retailers, such as independent convenience stores and small grocery stores that do not buy enough to warrant a producer selling to these retailers directly. Channel C is most common for low-cost, low-unit value items that are frequently purchased by consumers, such as candy, soft drinks, and magazines. For example, Mars sells its line of candies to wholesalers in case quantities; wholesalers can then break down (sort) the cases so that individual small retailers can order in boxes of much smaller quantities.

Channel D, the most indirect channel, is employed when there are many small manufacturers and many small retailers and an agent is used to help coordinate a large supply of the product. Mansar Products Ltd., is a Belgian producer of specialty jewellery that uses agents to sell to wholesalers, which then sell to many small retailers.

Marketing Channels for Business Goods and Services

The four most common channels for business goods and services are shown in **Figure 10–5**. In contrast with channels for consumer products, business channels typically are shorter and rely on one intermediary or none at all because business users are fewer in number, tend to be more concentrated geographically, and buy in larger quantities. For these reasons, business channels can be served directly or by a limited number of intermediaries.

Figure 10–5 Common marketing channels for business goods and service



*Agents do not take physical possession of the goods.

Channel A, represented by IBM's large, mainframe computer business, is a direct channel. Firms using this kind of channel maintain their own sales force and perform all channel functions. This channel is employed when buyers are large and well

defined, the sales effort requires extensive negotiations, and the products are of high unit value and require hands-on expertise in terms of installation or use. Bombardier and Airbus Industries would be other examples.

Channels B, C, and D are indirect channels with one or more intermediaries to reach industrial users. In channel B, an *industrial distributor* performs a variety of marketing channel functions, including selling, stocking, and delivering a full product assortment and financing. In many ways, industrial distributors are like wholesalers in consumer channels. Caterpillar relies on industrial distributors to sell and service its construction and mining equipment in almost 200 countries.

Channel C introduces another intermediary, an agent, who serves primarily as the independent selling arm of producers and represents a producer to industrial users. For example, Stake Fastener Company, a producer of industrial fasteners, has an agent call on industrial users rather than employing its own sales force.

Channel D is the longest channel and includes both agents and distributors. For instance, Culligan, a producer of water treatment equipment, uses agents to call on distributors who sell to industrial users.

Digital Marketing Channels

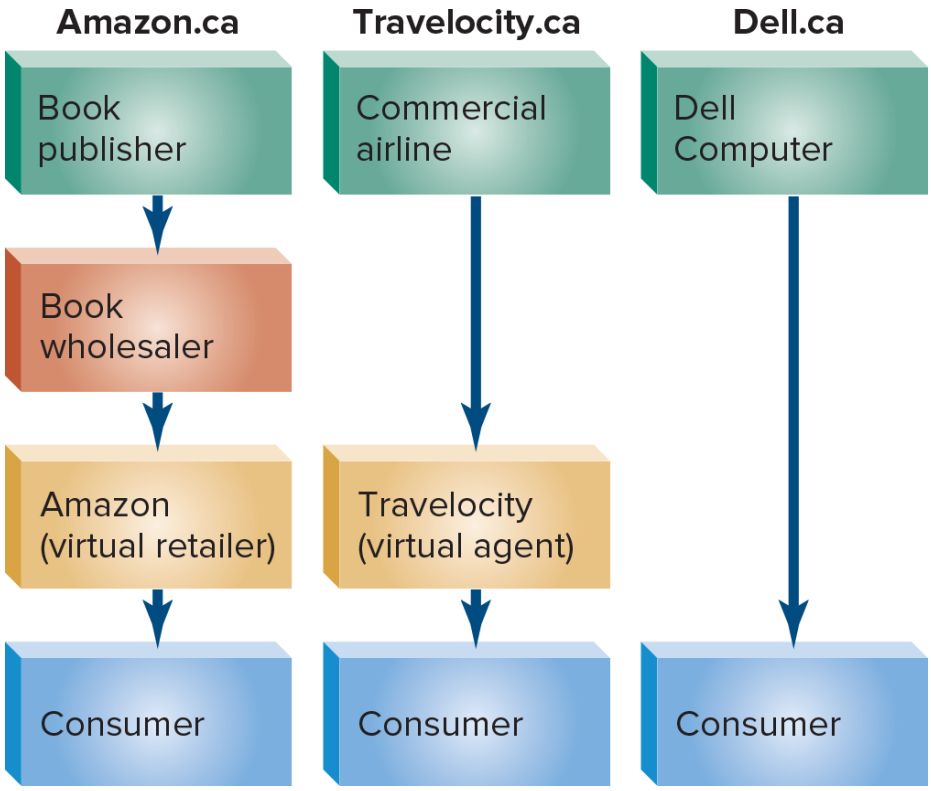
The marketing channels that we have just discussed for consumer and business goods and services are not the only routes to the marketplace. Advances in electronic commerce have opened new avenues for reaching buyers and creating customer value.

Interactive electronic technology has allowed for **electronic or digital marketing channels**, which employ the Internet to make goods and services available to consumers or business buyers. A unique feature of these channels is that they can combine electronic and traditional intermediaries to create time, place, form, information, and possession utility for buyers.[3]

Figure 10–6 shows the electronic marketing channels for books (**Amazon.ca**), travel reservation services (**Travelocity.ca**), and personal computers (**Dell.ca**). Are you surprised that they look a lot like common marketing channels? An important reason for the similarity resides in the channel functions detailed in **Figure 10–3**.

Electronic intermediaries can and do perform transactional and facilitating functions effectively and at a relatively lower cost than traditional intermediaries because of efficiencies made possible by information technology. However, electronic intermediaries are incapable of performing elements of the logistical function, particularly for products such as books and automobiles. This function remains with traditional intermediaries or with the producer, as seen with Dell and its direct channel.

Figure 10–6 Examples of electronic marketing channels



Many services are distributed through electronic marketing channels, such as travel services marketed by **Travelocity.ca**, financial securities by Royal Bank, and insurance by Metropolitan Life. Software, too, can be marketed this way. However, many other services, such as health care and auto repair, still involve traditional intermediaries.

Multiple Channels and Strategic Alliances

In some situations, producers use **dual distribution**, an arrangement whereby a firm reaches different buyers by employing two or more different types of channels for the same basic product. For instance, GE sells its large appliances directly to home and apartment builders but uses retail stores, including Walmart, to sell to consumers. In some instances, firms pair multiple channels with a multi-brand strategy. This is done to minimize cannibalization of the firm's family brand and to differentiate the channels. For example, Hallmark sells its Hallmark greeting cards through Hallmark stores and select department stores, and its Ambassador brand of cards through discount and drugstore chains.



Coke distributes Canada Dry soft drinks to stores in Canada.

Nyvlt-art/Shutterstock

A recent development in marketing channels is the use of *strategic channel alliances*, whereby one firm's marketing channel is used to sell another firm's products.[4] An alliance between Canada Dry and Coke is a case in point. Coke distributes Canada Dry soft drinks to stores in Canada. Strategic alliances are popular in global marketing, where the creation of marketing channel relationships is expensive and time-consuming. For example, General Mills and Nestlé have an extensive alliance that spans 70 international markets from Brazil to Poland to Thailand.

Multi-channel Marketing to the Online Consumer

Consumers and companies populate two market environments today. One is the traditional marketplace, where buyers and sellers engage in face-to-face exchange relationships in an environment characterized by physical facilities (stores and offices) and mostly tangible objects. The other is the *marketspace*, an Internet/Web-enabled digital environment characterized by "face-to-screen" exchange relationships and electronic images and offerings. Multiple channels or **multi-channel marketing** work together to build attract, retain and build relationships with consumers as they access the various channels of a company.

The existence of multiple market environments has benefited consumers tremendously. Today, consumers can shop for and purchase a wide variety of products and services in either market environment. Many consumers now browse and buy in multiple environments, and more are expected to do so in the future. With so many consumers browsing and buying in different environments, few companies limit their marketing programs exclusively to the traditional marketplace or to the online market space. Today, it is commonplace for companies to maintain a presence in both market environments.

Integrating Multiple Channels with Multi-channel Marketing

Companies often employ multiple marketing channels for their products and services. Multi-channel marketing bears some resemblance to dual distribution. For example, different communication and delivery channels are used, such as catalogues, kiosks, retail stores, and websites. However, the resemblance ends at this point. Multi-channel marketing seeks to integrate a firm's communication and delivery channels, not differentiate them. In doing so, consumers can browse and buy any time, anywhere, any way, expecting that the experience will be similar regardless of channel.

Multi-channel marketing is essential to success. Allowing business to measure results and make changes rapidly is one benefit, while ensuring a seamless customer experience is another benefit. At Eddie Bauer, for example, every effort is made to make the apparel shopping and purchase process for its customers the same in its retail stores, through its catalogues, and at its website. According to an Eddie Bauer marketing manager, "We don't distinguish between channels because it's all Eddie Bauer to our customers."[5]

Multi-channel marketing can also leverage the value-adding capabilities of different channels. For example, retail stores leverage their physical presence by allowing customers to pick up their online orders at a nearby store, or return or exchange non-store purchases at the store if they wish. For instance, a consumer can purchase a laptop computer on the Staples website and pick up the computer at any Staples store.

Another example of multi-channel marketing is the **cross-channel shopper**, who researches products online and then purchases them at a retail store. These shoppers represent both genders equally. Cross-channel shoppers want the right product at the best price, and they don't want to wait several days for delivery. The top reasons these shoppers look online before buying in stores include (1) the desire to compare products among different retailers, (2) the need for more information than is available in stores, and (3) the ease of comparing options without having to trek to multiple retail locations.

The evolution of how individuals make purchases leads us to the trend of omni-channel retailing. Omni-channel retailing creates a seamless experience among all available shopping channels. Since technology has made it difficult to distinguish between online and physical retail opportunities, the next step for retailers is to make the process seamless and potentially

more engaging. Unfortunately, not all experiences can be engaging, and retailers have been facing challenges of slower growth as shown in the Marketing Matters box, **Low Supply Puts Pressure on Chains**.[6] Both online and offline retailers need to be ready for the changes in the competitive landscape. It will become an expectation for them to invest resources toward omni-channel retailing to meet the demand of consumers.[7]

Marketing Matters

Low Supply Puts Pressure on Chains

Consumers do not always appreciate the amount of work required to make their products available to them directly or to their favourite stores. The COVID-19 pandemic made the challenges of supply chains even more apparent as border closures, business closures, and other restrictions created disruptions.

Businesses are feeling the effects of pent-up consumer demand, and trying to adjust to them. Increased communication and expectation management are just two of the many strategies employed to address these challenges.



Supply chains are crucial to keeping shelves stocked.

Frank Gunn/The Canadian Press

Halfway through 2022, the uncertainty caused by the pandemic and its impact on the supply chain seemed to linger. When surveyed by Statistics Canada, businesses that were experiencing supply chain challenges expected the challenges to continue and they were uncertain about how long they would persist.

Businesses need to be adaptable and resilient. Many plan to work with suppliers to improve timeliness and partner with new suppliers.

Questions

1. If you were beginning your own business, how important would implementing effective marketing channels and supply chains be to you?

2. Share an example of a recent visit to a retailer where products were either well stocked or poorly stocked. What do you think happened in those situations?

Implementing Multi-channel Marketing

It should not be surprising to you that not all companies use websites for multi-channel marketing the same way. Different companies apply the value-creation capabilities of Internet/Web technology differently depending on their overall marketing program. Websites can play multiple roles in multi-channel marketing because they can serve as either a communication or delivery channel, or as both. There are two general types of websites, classified based on their intended purpose: transactional websites and promotional websites.

Transactional websites are essentially electronic storefronts. They focus mainly on converting an online browser into an online catalogue or in-store buyer using website design elements. Transactional websites are most common among store and catalogue retailers such as Lee Valley. The Gap, for instance, generates more sales volume from its website than from any of its stores, except for one. The company has built on its online success and prepared for the future by forming an innovation and digital strategy group to take advantage of growing etailing in Canada.[8]



The Gap generates more sales volume from its website than any of its stores, except for one.

Andrew Resek/McGraw-Hill Education

Transactional websites are used less frequently by manufacturers of consumer products, but a recurring issue for manufacturers is the threat of channel conflict by harming their relationships with their retailing intermediaries. Hudson's Bay, for instance, would not be very happy if a brand of jeans it carries is being sold online directly from the manufacturer to the consumer; however, Ethan Allen, the furniture manufacturer, markets its product line at **www.ethanallen.com** whenever feasible. Ethan Allen has attempted to address channel conflict by having retailers fill online orders and receive 25 percent of the sales price. For items shipped directly from the Ethan Allen factory, the store nearest the customer receives 10 percent of the sales price.[9]

Promotional websites have a different purpose than transactional sites: No actual selling takes place on them, but they showcase products and services and provide information.

Omni-channel Marketing

The ability to communicate with consumers through multiple channels has allowed companies to take the experience one step further with omni-channel marketing. These experiences that centre around the customer combine advertising with

consumer behaviour and engagement. Instead of focusing on the product or service journey, omni-channel marketing explores the customer journey.

Global Channel Strategy

Distribution is of enormous importance in global marketing. The availability and quality of retailers and wholesalers as well as transportation, communication, and warehousing facilities are often determined by a country's economic infrastructure. Figure 10–7 outlines the channel through which a product manufactured in one country must travel to reach its destination in another country. The first step involves the seller; its headquarters is responsible for the successful distribution to the ultimate consumer.

Figure 10–7 Channels of distribution in global marketing



The next step is the channel between two nations, moving the product from one country to another. Intermediaries that can handle this responsibility include resident buyers in a foreign country, independent merchant wholesalers who buy and sell the product, and agents who bring buyers and sellers together.

Once the product is in the foreign nation, that country's distribution channels take over. These channels can be very long or surprisingly short, depending on the product line. In Japan, fresh fish can go through three intermediaries before getting to a retail outlet. Conversely, shoes go through only one intermediary.

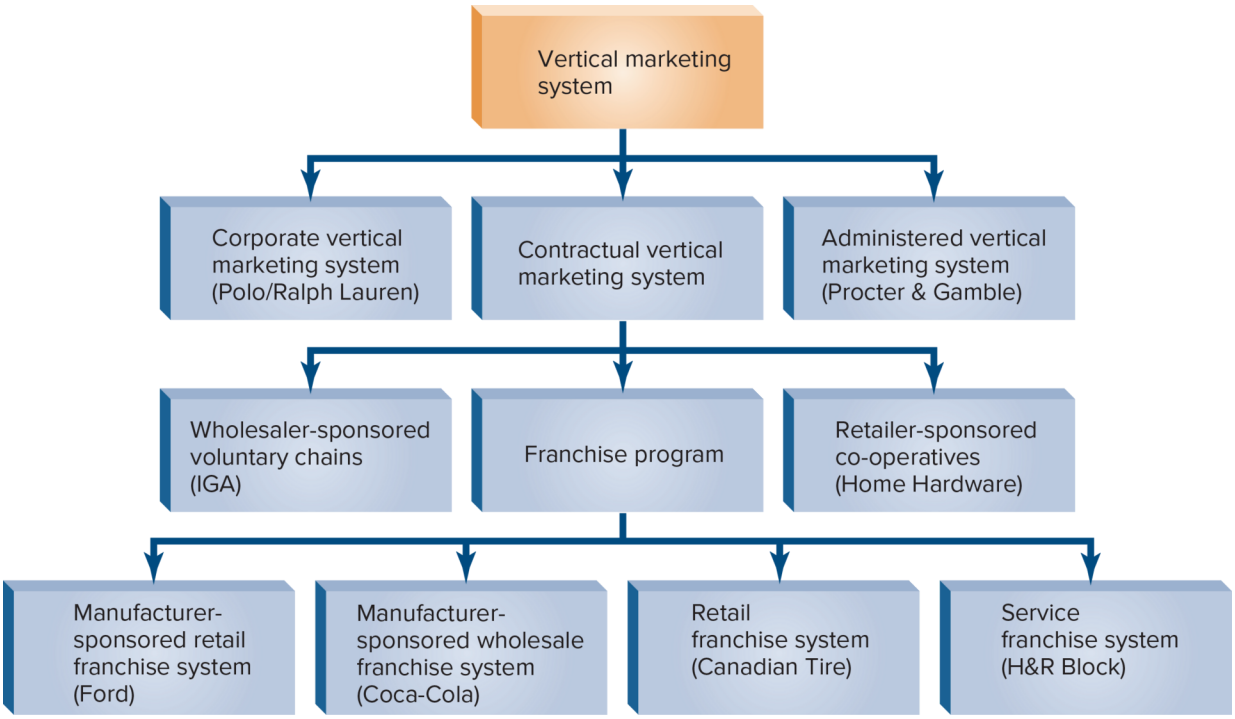
The sophistication of a country's distribution channels increases as its economic infrastructure develops. Supermarkets are helpful in selling products in many nations, but they are not popular or available in many others where culture and a lack of refrigeration dictate shopping on a daily rather than a weekly basis. For example, when Coke and Pepsi entered China, both had to create direct distribution channels, investing in refrigerator units for small retailers.

Vertical Marketing Systems

The traditional marketing channels described so far represent a network of independent producers and intermediaries brought together to distribute goods and services. However, channel arrangements have emerged for the purpose of improving efficiency in performing channel functions and achieving greater marketing effectiveness. These arrangements are called vertical marketing systems.

Vertical marketing systems are professionally managed and centrally coordinated marketing channels designed to achieve channel economies and maximum marketing impact. They encourage collaboration, shared responsibility, and partnership between the manufacturers and retailers in a system.[10] Figure 10–8 depicts the major types of vertical marketing systems: corporate, contractual, and administered.

Figure 10–8 Types of vertical marketing systems



Corporate Systems

Under a *corporate vertical marketing system*, a firm at one level of a channel owns the firm at the next level or owns the entire channel. For example, a producer might own the intermediary at the next level down in the channel. This practice, called *forward integration*, is exemplified by Polo/Ralph Lauren, which manufactures clothing and also owns apparel shops. Another example of forward integration is Goodyear, which distributes its tires not only through preferred stores but also through its own retail stores. Alternatively, a retailer might own a manufacturing operation, a practice called *backward integration*. For example, Tiffany & Co., the exclusive jewellery retailer, manufactures about half of the fine jewellery items for sale through its 150 stores and boutiques worldwide.



Tiffany & Co. and H&R Block represent two different types of vertical marketing systems.

(left) pio3/Shutterstock; (right) Used with permission of H&R Block

Companies seeking to reduce distribution costs and gain greater control over supply sources or resale of their products pursue forward and backward integration. Many companies favour contractual vertical marketing systems to achieve channel efficiencies and marketing effectiveness.

Contractual Systems

Under a *contractual vertical marketing system*, independent production and distribution firms combine their efforts on a contractual basis to obtain greater functional economies and marketing impact than they could achieve alone. Contractual systems are the most popular among the three types of vertical marketing systems. They account for about 40 percent of all retail sales.

Three variations of contractual systems exist. The first contractual system, *wholesaler-sponsored voluntary chains*, involves a wholesaler that develops a contractual relationship with small, independent retailers to standardize and coordinate buying practices, merchandising programs, and inventory management efforts. With the organization of a large number of independent retailers, economies of scale and volume discounts can be achieved to compete with chain stores. Independent Grocers Alliance (IGA) was the largest group of independent grocers in Canada and pursued this strategy. The group garnered the interest of Sobeys, which purchased the stores and incorporated a different business model.

Retailer-sponsored co-operatives exist when small, independent retailers form an organization that operates a wholesale facility co-operatively. Member retailers then concentrate their buying power through the wholesaler and plan collaborative promotional and pricing activities. Home Hardware is an example of a retailer-sponsored co-operative. Small independent retailers work together to concentrate their resources. This allows for collaboration and builds economies of scale for promotions and pricing activities.[11]

The most visible variation of contractual systems is **franchising**, a contractual arrangement between a parent company (a franchisor) and an individual or firm (a franchisee) that allows the franchisee to operate a certain type of business under an established name and according to specific rules set by the franchisor.

Four types of franchise arrangements are most popular.

1. *Manufacturer-sponsored retail franchise systems* are prominent in the automobile industry, where a manufacturer such as Ford licenses dealers to sell its cars subject to various sales and service conditions.
2. *Manufacturer-sponsored wholesale franchise systems* appear in the soft-drink industry, where Pepsi-Cola licenses wholesalers (bottlers) that purchase concentrate from Pepsi-Cola and then carbonate, bottle, promote, and distribute its products to supermarkets and restaurants.

3. *Retail franchise systems* are provided by firms that have designed a unique approach for selling merchandise to consumers. Canadian Tire and McDonald's represent this franchising approach.
4. *Service franchise systems* exist when franchisors license individuals or firms to dispense a service under a trade name and specific guidelines. An example is H&R Block tax services. Service franchise arrangements are the fastest-growing type of franchise.

Administered Systems

Ownership of a marketing system is not always necessary to achieve desired results. *Administered vertical marketing systems* achieve coordination at successive stages of production and distribution by the size and influence of one channel member. Procter & Gamble, given its broad product assortment ranging from disposable diapers to detergents, is able to obtain co-operation from supermarkets in displaying, promoting, and pricing its products. Given its position as the world's largest retailer, Walmart can obtain co-operation from manufacturers in terms of product specifications, price levels, and promotional support.

1. *What is the difference between a direct and an indirect channel?*
2. *What is the major distinction between a corporate vertical marketing system and an administered vertical marketing system?*

Channel Choice and Management

LO 3 Marketing channels link a producer to its buyers but also provide the means through which a firm executes various elements of its marketing strategy. Therefore, choosing a marketing channel is a crucial decision.

Factors Affecting Channel Choice

The final choice of a marketing channel by a producer depends on a number of market, product, and company factors. Providing convenience to retail consumers may provide advantages in certain industries like the coffee industry in Canada.

Convenient Coffee Options

Canadians have plenty of options when choosing their morning brew.

Tim Hortons	Over 3,600 locations
McDonald's	Over 1,400 locations
Starbucks	Over 1,200 locations
Second Cup	Over 300 locations

Source: "Fresh Facts," Tim Hortons corporate website, accessed at www.timhortons.com/ca/en/corporate/fresh-facts.php#!open_flyout; "Our History," Second Cup corporate website, accessed at www.secondcup.com/our-story;jsessionid=B8EB02561075E87B516B57B6A8869977; "Our Canadian Story," Starbucks website, accessed at www.starbucks.ca/careers/our-canadian-story; "Corporate Info," McDonald's Canada corporate website, accessed at www.mcdonalds.ca/ca/en/our_story/corporate_info.html.

Market Factors

- **Geographic concentration of the market:** When most of a firm's customers are concentrated in a few geographic areas, a direct sale to customers is practical. When customers are geographically dispersed, a direct sale is likely to be impractical due to high

travel costs. Sellers may establish sales branches in densely populated markets and use intermediaries in less-concentrated markets.

- **Number of potential customers:** A manufacturer with few potential customers may use its own sales force to sell directly to ultimate consumers or business users. Bombardier uses this approach in selling its jet aircrafts and subway cars. For a large number of customers, the manufacturer would probably use intermediaries. For example, Tim Hortons relies on numerous franchisee outlets to reach the large number of consumers buying coffee.
- **Type of market:** Consumer products are made available through retailers, while business products are sold either direct to customers or through intermediaries.



Tim Hortons is an example of a retail franchise system.

Imaginechina Limited/Alamy Stock Photo

- **Order size:** Direct distribution makes sense when an order size is large. For example, Campbell's delivers its soups directly to large grocery chains. On the other hand, Campbell's uses wholesalers to reach small independent grocery and convenience stores, whose orders are usually too small to justify a direct sale.

"It would not make sense for Hershey Canada to call on households to sell an Oh Henry! chocolate bar."

Product Factors

- **Technical factors:** In general, highly sophisticated products, such as custom-built machinery and scientific computers, are distributed direct to buyers. The producer's sales force must provide considerable pre-purchase and post-purchase service for these types of products, and typically, wholesalers do not do these tasks.

- **Perishability:** Some goods, such as milk and bread, deteriorate fairly quickly. As a result, these types of products go directly from the producer to the retailer, no matter the size of the order.
- **Unit value:** The price attached to each unit of a product affects the amount of funds available for distribution. For example, a company like Bombardier can afford to use its own employees to sell aircraft costing millions of dollars. But it would not make sense for Hershey Canada to call on households to sell an Oh Henry! chocolate bar. That's why intermediaries such as convenience stores, vending machines, and gasoline service stations carry low unit-value products.

- **Product life cycle:** Over time, some products, such as the Apple iPad, become very popular, easy to operate, and available in more mainstream channels such as Walmart and Best Buy.

Company Factors

- **Financial resources and ability of management:** A business with limited financial resources may be unable to employ its own salespeople, and thus resorts to using intermediaries such as selling agents or manufacturer's agents to reach customers. Also, businesses that have limited or no marketing know-how may elect to use intermediaries.
  A manufacturer of jams and marmalades may face limited markets for its products because it cannot afford the listing fees that supermarkets demand for carrying the product. The manufacturer chooses instead to sell to small fruit and vegetable markets, who do not demand a listing fee and whose clientele enjoys buying products that are not available everywhere. The retailer may command a premium price for the jam because of its perceived quality and limited distribution.
- **Desire for channel control:** Some producers establish direct channels because they want to control their product's distribution, even though a direct channel may be more costly than an indirect channel. For example, Gap Inc. employs designers to come up with the styles that consumers want. Instead of selling Gap products to independent retailers, Gap Inc. assures distribution with its more than 3,000 Gap stores. Having its own stores assures Gap that its products are marketed properly and merchandised prominently.

Channel Design Considerations

Marketing executives consider three questions when choosing a marketing channel and intermediaries:

1. Which channel and intermediaries will best reach the target market?
2. Which channel and intermediaries will best serve the needs of the target market?
3. Which channel and intermediaries will lead to the most cost-efficient and profitable results?

Target Market Coverage

Achieving the best coverage of the target market requires attention to the density—that is, the number of stores in a given geographical area—and type of intermediaries to be used at the retail level of distribution. Three degrees of distribution intensity exist: intensive, exclusive, and selective.

Intensive distribution means that a firm tries to place its products and services in as many outlets as possible. Intensive distribution is usually chosen for convenience products or services, such as candy, newspapers, and soft drinks. For example, Coca-Cola's retail distribution objective is to place its products "within an arm's reach of desire."

Exclusive distribution is the extreme opposite of intensive distribution because only one retail outlet in a specified geographical area carries the firm's products. Exclusive distribution is typically chosen for specialty products or services such as specialty automobiles, some women's fragrances, men's and women's apparel and accessories, and yachts. Sometimes, retailers sign exclusive distribution agreements with manufacturers and suppliers.

Selective distribution lies between these two extremes and means that a firm selects a few retail outlets in a specific geographical area to carry its products. Selective distribution combines some of the market coverage benefits of intensive distribution with the control measures possible with exclusive distribution. For this reason, selective distribution is the most common form of distribution intensity. It is usually associated with products such as Rolex watches, Levi's jeans, and Samsung flat-panel TVs.

Satisfying Buyer Requirements

A second objective in channel design is gaining access to channels and intermediaries that satisfy at least some of the interests buyers might have when they purchase a firm's products

or services. These requirements fall into four categories: information, convenience, variety, and pre- or post-sale services.

Information is an important requirement when buyers have limited knowledge or desire specific data about a product or service. Properly chosen intermediaries communicate with buyers through in-store displays, demonstrations, and personal selling. Electronics manufacturers such as Apple and Sony have opened their own retail outlets, with highly trained personnel to inform buyers about their products and how they can meet the buyers' needs.

Convenience has multiple meanings for buyers, such as proximity or driving time to a retail outlet or hours of operation. For example, Mac's convenience stores, with outlets nationwide, many of which are open 24 hours a day, satisfy this interest for buyers. Candy and snack food firms benefit by gaining display space in these stores.

For other consumers, convenience means a minimum of time and hassle. Jiffy Lube and Mr. Lube, which promise to change engine oil and filters quickly, appeal to this aspect of convenience. Another example of convenience is Tim Hortons, which has locations in Esso service stations across Canada.



Tim Hortons has added convenient locations to Esso service stations across Canada.

©JHVEPhoto/Shutterstock

Variety reflects buyers' interest in having numerous competing and complementary items from which to choose. Variety is seen in both the breadth and depth of products carried by intermediaries, which enhances their attractiveness to buyers. Thus, manufacturers of pet food and supplies seek distribution through pet stores such as PetSmart and Bone & Biscuit.

Services provided by intermediaries are an important buying requirement for products such as large household appliances that require delivery, installation, and credit. Therefore, Whirlpool seeks dealers that provide such services.

The late Steve Jobs, formerly Apple's CEO, was one person who believed that computer retailers have failed to satisfy the buying requirements of today's consumer. Believing that "buying a car is no longer the worst purchasing experience; buying a computer is number one," he launched Apple Stores.[12]

Profitability

The third consideration in designing a channel is profitability, which is determined by the revenues earned minus cost for each channel member and for the channel as a whole. Cost is the critical factor of channel profitability. These costs include distribution, advertising, and selling expenses. The extent to which channel members share these costs determines the profitability of each member and of the channel as a whole.

Channel Relationships: Conflict and Co-operation

Unfortunately, because channels consist of independent individuals and firms, there is always potential for disagreements concerning who performs which channel functions, how profits are distributed, which products and services will be provided by whom, and who makes critical channel-related decisions. These channel conflicts necessitate measures for dealing with them.

Conflict in Marketing Channels

Channel conflict arises when one channel member believes another channel member is engaged in behaviour that prevents the first member from achieving its goals. Two types of conflict occur in marketing channels: vertical conflict and horizontal conflict. Although channel conflict may have a negative effect on channel performance, it can also encourage channels to find better efficiencies to deliver results.[13]

Vertical conflict occurs between different levels in a marketing channel—for example, between a manufacturer and a wholesaler or between a manufacturer and a retailer. An example of vertical conflict was a disagreement about price between Coke and Costco. Costco claimed

that Coke's selling price to Costco was too high. As a result, Costco stopped carrying Coke products. It took a month for the two channel members to resolve their differences and Coke once again was made available at Costco.[14]



Vertical conflict occurred between Coke and Costco.

Monticello/Shutterstock

Another type of vertical conflict arises when a channel member bypasses another member and sells directly to consumers, a practice called **disintermediation**. Apple is an excellent example of how disintermediation works. Before Apple Stores existed, Apple products were sold through independent retailers. When Apple started opening its own stores, its retailers began to complain. In 2005, independent Apple retailers filed a lawsuit against Apple, accusing the company of giving preferential treatment to its own stores and harming their sales. The lawsuit claimed that Apple had favoured Apple Stores by providing significant discounts that were unavailable to independent retailers. It also claimed that Apple was holding back product from the independent retailers.

> *"Conflict can have disruptive effects on the workings of a marketing channel."*

Horizontal conflict occurs between intermediaries at the same level in a marketing channel, such as between two or more retailers or two or more wholesalers that handle the same manufacturer's brands. For instance, one Toyota dealer might complain to Toyota that another Toyota dealer has located too close to its dealership and is affecting its business.

Co-operation in Marketing Channels

Conflict can have disruptive effects on the workings of a marketing channel, so it is necessary to secure co-operation among channel members. One means is through a *channel*

captain, a dominant channel member that coordinates, directs, and supports other channel members. Channel captains can be producers, wholesalers, or retailers. Procter & Gamble assumes this role because it has a strong consumer following in brands such as Crest, Tide, and Pampers. Therefore, it can set policies or terms that supermarkets will follow. Walmart and Home Depot are retail channel captains because of their strong consumer image, number of outlets, and purchasing volume.

MARKETING TIP

"Intermediaries are essential to creating value and good business."

- Jim Heuving, Blue Sea Foundation

A firm becomes a channel captain because it is the channel member with the ability to influence the behaviour of other members.[15] Influence can take four forms.

1. Economic influence arises from the ability of a firm to reward other members because of its strong financial position. Microsoft Corporation has such influence.
2. Expertise is a source of influence.
3. Identification with a particular channel member creates influence for that channel member. For example, retailers may compete to carry the Ralph Lauren line, or clothing manufacturers may compete to be carried by Hudson's Bay or Holt Renfrew. In both instances, the desire to be associated with a channel member gives that firm influence over others.
4. Influence can arise from the legitimate right of one channel member to direct the behaviour of other members. This situation occurs under contractual vertical marketing systems where a franchisor can legitimately direct how a franchisee behaves.

Critical Thinking for Marketing

1. *What products are appropriate for the three degrees of distribution intensity?*
2. *What are the three questions marketing executives consider when choosing a marketing channel and intermediaries?*

Logistics and Supply Chain Management

LO 4 A marketing channel relies on logistics to make products available to consumers and industrial users. **Logistics** involves those activities that focus on getting the right amount of the right products to the right place at the right time at the lowest possible cost. The performance of these activities is *logistics management*, the practice of organizing the cost-effective flow of raw materials, in-process inventory, finished goods, and related information from point of origin to point of consumption to satisfy *customer requirements*. Although logistics primarily provide distribution services, there is underlying value to the supply chain.[16]

Three elements of this definition deserve emphasis. First, logistics deals with decisions from the source of raw materials to consumption of the final product—that is, the *flow* of the product. Second, those decisions have to be *cost-effective*. Third, while it is important to drive down logistics costs, there is a limit: A firm needs to drive down logistics costs as long as it can deliver expected *customer service*, while satisfying customer requirements. The role of management is to see that customer needs are satisfied in the most cost-effective manner.

When properly done, the results can be spectacular. Procter & Gamble is a case in point. Beginning in the 1990s, the company set out to meet the needs of consumers more effectively by collaborating and partnering with its suppliers and retailers to ensure that the right products reached store shelves at the right time and at a lower cost. The effort was judged a success when, during an 18-month period, Procter & Gamble's retailers recorded a US$65-million savings in logistics costs while customer service increased.[17]

The Procter & Gamble experience is not an isolated incident. Consider Target's venture into Canada. The Government of Canada shares **Lessons from the greatest supply chain disaster in Canadian history**, discussing Target Corporation's 2013 entry into Canada. The article discusses Target's northern expansion, which was riddled with challenges, including high prices, empty store shelves, and poor customer satisfaction. This had a negative impact on the Target brand. Target left Canada in 2015.



Empty shelves in Canada negatively impacted the Target brand.
Seth Wenig/AP Photo/The Canadian Press

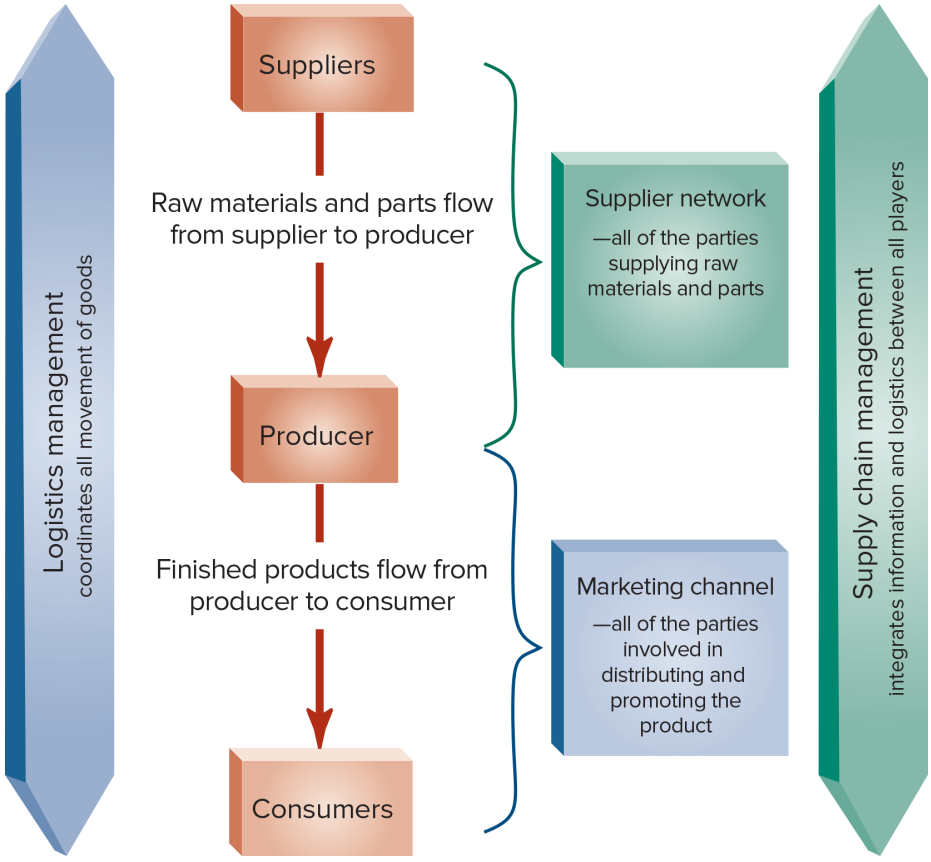
Companies now recognize that getting the right items needed for consumption or production to the right place at the right time in the right condition at the right cost is often beyond their individual capabilities and control. Instead, collaboration, coordination, and information sharing among manufacturers, suppliers, and distributors are necessary to create a seamless flow of goods and services to customers. This perspective is represented in the concept of a supply chain and the practice of supply chain management.

Supply Chains versus Marketing Channels

A **supply chain** is a series of firms that perform activities required to create and deliver a good or service to consumers or industrial users. It differs from a marketing channel in terms of the firms involved. A supply chain is longer and includes suppliers that provide raw material inputs to a manufacturer as well as the wholesalers and retailers that deliver finished goods to customers.

The management process is also different. **Supply chain management** is the integration and organization of information and logistics activities across firms in a supply chain for the purpose of creating and delivering goods and services that provide value to consumers. The relationship among marketing channels, logistics management, and supply chain management is shown in **Figure 10–9**. An important feature of supply chain management is its use of sophisticated information technology that allows companies to share and operate systems for order processing, transportation scheduling, and inventory and facility management.

Figure 10–9 How distribution channels work: the relationships between supplier networks, marketing channels, logistics management, and supply chain management



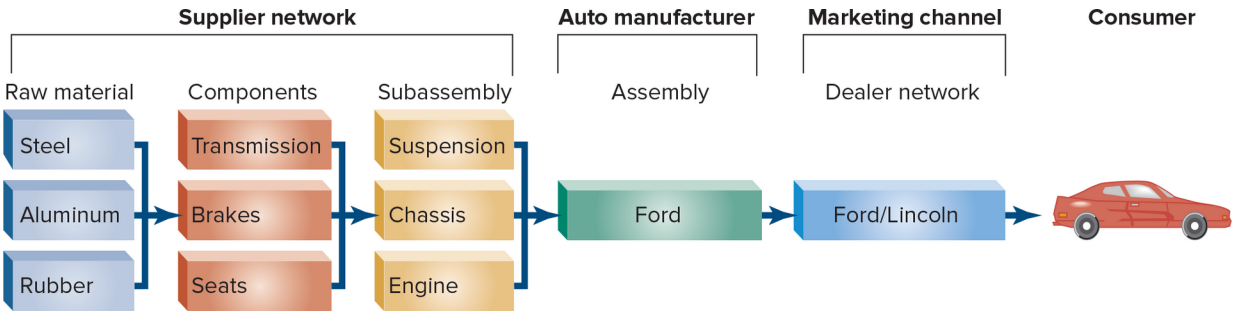
Sourcing, Assembling, and Delivering a New Car: The Automotive Supply Chain

All companies are members of one or more supply chains. A supply chain is essentially a series of linked suppliers and customers in which every customer is, in turn, a supplier to another customer until a finished product reaches the ultimate consumer. Even a simplified supply chain diagram for carmakers shown in Figure 10–10 illustrates how complex a supply chain can be.[18]

A carmaker's supplier network includes thousands of firms that provide the 5,000 or so parts in a typical automobile. They provide items ranging from raw materials such as steel and rubber to components, including transmissions, tires, brakes, and seats, to complex subassemblies and assemblies such as in chassis and suspension systems that make for a smooth, stable ride.

Coordinating and scheduling material and component flows for their assembly into actual automobiles by carmakers is heavily dependent on logistical activities, including transportation, order processing, inventory control, materials handling, and information technology. A central link is the carmaker supply chain manager, who is responsible for translating customer requirements into actual orders and arranging for delivery dates and financial arrangements for automobile dealers.

Figure 10–10 The automotive supply chain



Logistical aspects of the automobile marketing channel are also an important part of the supply chain. Major responsibilities include transportation (which involves the selection and management of external carriers—trucking, airline, railroad, and shipping companies—for cars and parts to dealers), the operation of distribution centres, the management of finished goods inventories, and order processing for sales.

Supply chain managers also play an important role in the marketing channel. They work with extensive car dealer networks to ensure that the right mix of automobiles is delivered to each location. In addition, they make sure that spare and service parts are available so that dealers can meet the car maintenance and repair needs of consumers. All of this is done with the help of information technology that links the entire automotive supply chain. What does all of this cost? It is estimated that logistics costs represent 25 to 30 percent of the retail price of a typical new car.

Supply Chain Management and Marketing Strategy

The automotive supply chain illustration shows how logistics activities are interrelated and organized across firms to create and deliver a car for you. What's missing from this illustration is the linkage between a specific company's supply chain and its marketing strategy. Just as companies have different marketing strategies, they also manage supply chains differently. The goals to be achieved by a firm's marketing strategy determine whether its supply chain needs to focus on being more responsive or more efficient in meeting customer requirements.

Aligning a Supply Chain with Marketing Strategy

There are a variety of supply chain configurations, each of which is designed to perform different tasks well. Marketers today recognize that the choice of a supply chain follows from a clearly defined marketing strategy. With the globalization of the world economy and increased competition, see the importance of integrating supply chain management with their marketing strategy through the following three steps:[19]

1. *Understand the customer.* To understand the customer, a company must identify the needs of the customer segment being served. These needs, such as a desire for a low price or convenience of purchase, help a company define the relative importance of efficiency and responsiveness in meeting customer requirements.
2. *Understand the supply chain.* A company must understand what a supply chain is designed to do well. Supply chains range from those that emphasize being responsive to customer requirements and demand to those that emphasize efficiency with a goal of supplying products at the lowest possible delivered cost.
3. *Harmonize the supply chain with the marketing strategy.* A company needs to ensure that what the supply chain is capable of doing well is consistent with the targeted customer's needs and its marketing strategy. If a mismatch exists between what the supply chain does particularly well and a company's marketing strategy, the company will either need to redesign the supply chain to support the marketing strategy or change the marketing strategy. The bottom line is that a poorly designed supply chain can do serious damage to an otherwise brilliant marketing strategy.

How are these steps applied and how are efficiency and response considerations built into a supply chain? Let's briefly look at how two market leaders—Dell Computer Corporation and Walmart Inc.—have harmonized their supply chain and marketing strategy.

Dell Computer Corporation: A Responsive Supply Chain

The Dell marketing strategy targets customers who want to have the most up-to-date personal computer equipment customized to their needs. These customers are also willing to wait to have their customized personal computer delivered in a few days, rather than picking out a prepackaged model at a retail store, and they pay a reasonable, though not the lowest, price in the marketplace. Given Dell's market segments, the company has the option of choosing either an efficient or a responsive supply chain.

An efficient supply chain may use inexpensive but slower modes of transportation, emphasize economies of scale in its production process by reducing the variety of PC configurations offered, and limit its assembly and inventory storage facilities to a single location, say Austin, Texas, where the company is headquartered.

If Dell opted only for efficiency in its supply chain, it would be difficult if not impossible to satisfy its target customer's desire for rapid delivery and a wide variety of customizable products. Dell instead has opted for a responsive supply chain. It relies on more expensive express transportation for receipt of components from suppliers and delivery of finished products to customers. The company achieves product variety and manufacturing efficiency by designing common platforms across several products and using common components. Dell also has invested heavily in information technology to link itself with suppliers and customers.



Dell has a responsive supply chain.

Jill Braaten/McGraw-Hill Education

Walmart Inc.: An Efficient Supply Chain

Walmart's marketing strategy is to be a reliable, lower-price retailer for a wide variety of mass-consumption consumer goods. This strategy favours an efficient supply chain designed to deliver products to consumers at the lowest possible cost. Because it competes on price, Canadians are considering Walmart for some of their grocery needs.

Walmart's efficient supply chain allows it to keep relatively low inventory levels; that is, most inventory is stocked in stores available for sale, not in warehouses gathering dust. The low inventory arises from Walmart's use of *cross-docking*—a practice that involves unloading products from suppliers, sorting products for individual stores, and quickly reloading products onto its trucks for a particular store. No warehousing or storing of products occurs, except for a few hours or, at most, a day. Cross-docking allows Walmart to operate only a small number of distribution centres to service its vast network of stores and supercentres, which contributes to efficiency. It also uses fleet-management software to enhance operations.



Walmart operates with an efficient supply chain.

©Niloo/Shutterstock

This does increase cost and investment, but the benefits in terms of responsiveness justify the cost in Walmart's case. Walmart has invested significantly more than its competitors in information technology to operate its supply chain. The company feeds information about customer requirements and demand from its stores back to its suppliers, which manufacture only what is being demanded. This large investment has improved the efficiency of Walmart's supply chain and made it responsive to customer needs.

Walmart's strategy allows for availability of product. When renovating stores, Walmart ensures any construction is performed during off-hours. When reviewing its supply chain, Walmart continues to enhance its program by diligently assessing associated risks; that is, it reviews the countries it sources from and assesses the compliance of its potential suppliers.

> *"Walmart keeps relatively low inventory levels, and most inventory is stocked in stores available for sale, not in warehouses gathering dust."*

In the United States, Walmart uses technology to efficiently run its supply chain. *RFID,* which stands for *radio frequency identification*, is a tag that is incorporated into a product for tracking purposes. RFID improves the efficiency of inventory tracking and management. Walmart has already asked its suppliers to use RFID. Walmart says that RFID will result in a 30 percent reduction of out-of-stock items and less excess inventory in the supply chain.[20] Some suppliers have complied, but many to date have not. The cost of using this new technology is the reason for their not going ahead.

Three lessons can be learned from these two examples. First, there is no single best supply chain for every company. Second, the best supply chain is the one that is consistent with the needs of the customer segment being served and complements a company's marketing strategy. And finally, supply chain managers are often called upon to make trade-offs between efficiency and responsiveness on various elements of a company's supply chain.

For a discussion of linking supply chain management with corporate social responsibility, review the Making Responsible Decisions box, **Soft Drinks Lessen Hard Environmental Impact**.[21]

Making Responsible Decisions

Soft Drinks Lessen Hard Environmental Impact

Imagine you were marketing a product for decades and then realized you urgently needed to make a change. Not because your product wasn't successful, but rather because the change was better for the world.

The Coca-Cola Company's clear soft drink Sprite is associated with a green bottle. This packaging strategy helped solidify the refreshing lemon-lime drink in the minds of Canadians. To make the recycling of its bottles better, the Coca-Cola Company is risking this brand association.



The Coca-Cola Company is improving the quality of its recycled material.

Steve Cukrov/Shutterstock

As of August 1, 2022, the Coca-Cola Company changed all of its green polyethylene terephthalate (PET) bottles to clear PET. This change allows the Sprite bottles to be recycled into new Sprite bottles instead of limiting them to a single use. This process improves the quality of the recycled material and allows for the same use of the original material.

On top of its change to Sprite, the Cola-Cola Company also announced that Dasani brand water bottles will be made with 100 percent recycled plastic. Sustainability resonates with consumers, and companies and governments know it. In 2022, the Government of Canada outlined regulations to prohibit the manufacturing and sale of single-use plastics. Using sustainability as a marketing tool is a good strategy for companies, consumers, and the world.

Questions

1. What are other changes companies like the Coca-Cola Company making to have a positive impact on the environment?
2. Why has it taken companies so long to make environmentally beneficial changes?

Reverse Logistics

The flow of products in a supply chain does not end with the ultimate consumer or industrial user. Companies today recognize that a supply chain can work in reverse. **Reverse logistics** is a process of reclaiming recyclable and reusable materials, returns, and reworks from the point of consumption or use for repair, remanufacturing, redistribution, or disposal. The effect of reverse logistics can be seen in the reduced waste in landfills and lowered operating costs for companies.

Key Logistics Functions in a Supply Chain

The four key logistics functions in a supply chain are transportation, order processing, inventory management, and warehousing. These functions have become so complex that many companies are outsourcing them to third-party logistics providers. Ultimately, successful logistics management minimize the total cost of logistics while delivering the appropriate level of every factor of customer service: time, dependability, communication, and convenience.

Transportation

There are five basic modes of transportation—railroads, motor carriers, air carriers, water carriers, and pipelines—and combinations involving two or more modes, such as highway trailers on a rail flatcar. Although many manufacturers pay transportation expenses, some retailers negotiate with their vendors to absorb this expense. The transportation modes can be evaluated on six basic service criteria:

1. **Cost:** Charges for transportation
2. **Time:** Speed of transit

3. **Capability:** What can be realistically carried with this mode, such as controlled temperatures and humidity levels
4. **Dependability:** Reliability of service regarding time, loss, and damage
5. **Accessibility:** Ability to move products over a specific route or network; for example, some destinations, such as remote areas in northern parts of Canada, may be unavailable by truck or water
6. **Frequency:** Refers to how often a marketer can ship products by a specific transportation mode. Pipelines provide continuous shipments whereas railways and water carriers follow specific schedules for moving products from one location to another.

Order Processing

Order processing is much more sophisticated these days with the use of **electronic data interchange (EDI)**. EDI is the computer-to-computer exchange of business documents from a retailer to a supplier and back. Purchase orders and invoices can be transmitted back and forth electronically, replacing manual processing. Walmart was a pioneer in using EDI. Now, many other retailers also use this system. The use of EDI increases the speed, accuracy, and streamlining of operations between retailer and supplier.

Inventory Management

Inventory management entails maintaining the delicate balance between keeping too little and too much inventory. For example, a retailer that carries too much inventory ends up with a lot of capital tied up in storing products in a warehouse. Too little inventory means that there is an increased risk of being out of stock and having unhappy customers.

A solution to this problem is the **just-in-time (JIT) inventory system**, which is designed to deliver less merchandise on a more frequent basis than traditional inventory systems. This system requires fast on-time delivery. The firm gets the merchandise "just in time" for it to be used in production of another product, or for sale when the customer wants it, in the case of consumer products. When this convenience is provided by the supplier, it is referred to as a vendor-managed inventory system (VMI).

Although firms achieve great benefits from a just-in-time system, it is not without its costs. The logistics function becomes more complicated with more frequent deliveries. Greater order frequencies result in smaller orders, which are more expensive to transport and more difficult to coordinate.

Warehousing

There are two types of warehouses: a public warehouse offering storage for small companies or individuals, and private warehouses, usually used by large firms. Most storage warehouses are located on the outskirts of a city where rail and truck transportation are easily available.

Warehouses are places to store products, whereas distribution centres, described below, receive, store, and redistribute goods to customers.

Distribution centres can be divided into three types: traditional, cross-docking, and combination. In a traditional distribution centre, merchandise is unloaded from trucks and placed on shelves for storage. When the merchandise is required in stores, a worker goes to the shelf, picks up the item, and places it in a bin. A conveyer transports the merchandise to a staging area, where it is consolidated and made ready for shipment to stores.



Inventory management helps companies maintain optimal levels of inventory.

©Cultura Creative (RF)/Alamy Stock Photo

The second type of distribution centre is called cross-docking. For example, Heinz ships ketchup prepackaged in the quantity required for each Walmart store. It is then sent to a staging area rather than into storage. When all the merchandise going to a particular

Walmart store has arrived in the staging area, it is loaded onto a Walmart truck that goes directly to the store.

The third type of distribution centre consists of a combination of the two types explained above. Most modern distribution centres are comprised of the third type. It is difficult for a company to operate without some storage facilities, even if merchandise is stored for only a few days.

Critical Thinking for Marketing

1. *Explain the concept of cross-docking.*
2. *Describe a just-in-time inventory system.*

Summary...just the facts

LO 1 • A marketing channel consists of individuals and firms involved in the process of making a product or service available for use by consumers or business users.

- Intermediaries enable the flow of products and services from producers to buyers by performing transactional, logistical, and facilitating functions, thereby creating time, place, form, information, and possession utility.

LO 2 • Multi-channel marketing is the blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building relationships with consumers.

- When consumers shop and buy in the traditional marketplace as well as in the online marketspace, marketers reinforce the consumer benefits of time, place, form, information, and possession utility.
- Vertical marketing systems are channels designed to achieve channel function economies and marketing impact. A vertical marketing system may be one of three types: corporate, contractual, or administered.
- Corporate systems display ownership of the next level or the entire channel.
- Contractual systems benefit from functional economies and marketing impact by combining efforts on a contractual basis.
- Administered systems achieve coordination through size and influence rather than ownership.

LO 3 • The final choice of a marketing channel by a producer depends on a number of factors. They are market factors, product factors, and company factors.

- Channel design considerations are based on the target market coverage sought by producers, the buyer requirements to be satisfied, and the profitability of the channel.
- Target market coverage comes about through one of three levels of distribution density: intensive, exclusive, or selective distribution.
- Buyer requirements are evident in the amount of information, convenience, variety, and service sought by consumers.
- Profitability—of each channel member and the channel as a whole—is largely affected by costs and whether or not costs can be shared by members.

LO 4 • A supply chain is a sequence of firms that perform activities required to create and deliver a good or service to consumers or industrial users.

- Supply chain management is the integration and organization of information and logistics across firms for the purpose of creating value for consumers.
- The goals to be achieved by a firm's marketing strategy determine whether its supply chain needs to be more responsive or efficient in meeting customer requirements. Marketers today recognize that the choice of a supply chain involves three steps: (1) understand the customer, (2) understand the supply chain, and (3) harmonize the supply chain with the marketing strategy.

Key Terms and Concepts...a refresher

channel conflict

cross-channel shopper

disintermediation

dual distribution

electronic data interchange (EDI)

electronic or digital marketing channels

exclusive distribution

franchising

intensive distribution

intermediaries

just-in-time (JIT) inventory system

logistics

marketing channel

multi-channel marketing

reverse logistics

selective distribution

supply chain

supply chain management

vertical marketing systems

Hands-on... APPLY YOUR KNOWLEDGE

Contractual Systems in Marketing The opening vignette describes how smaller organizations can benefit from leveraging the economies of scales of larger ones. Review **Figures 10–1** and **10–3** and explain how Blue Sea Foundation is performing the transactional and facilitating function of the marketing channel.

Chapter Vignette… ACTIVITY

In the opening vignette, a Blue Sea Foundation executive describes the role of the company as an intermediary to support charities across Canada. Considering the comments in the vignette, as well as the figures describing intermediaries and the marketing functions they perform, set out at least three expectations that Blue Sea Foundation would have of the charities in its marketing channel.

Marketing YOU

As a product may take many routes on its journey from producer to buyer, you will also take many routes on your journey. The information you've added to your ikigai diagram provides a guide to refer to as you make your decisions about your career journey. Your ikigai diagram is dynamic and you can add, change, or modify it as you learn and experience more.

As a student you are focusing on your studies and this is key. However, it is only part of your education. Employers are looking for grads that have learned both the theory and the practical skills they are looking for. Therefore, it is key to look out for opportunities to build your practical skills and your experience *while you are studying.*

When looking for a career or role with a company, you may start with well known brand name organizations. But you should also be aware that there are significant companies out there that consumers may not be aware of, but are well known to other businesses.

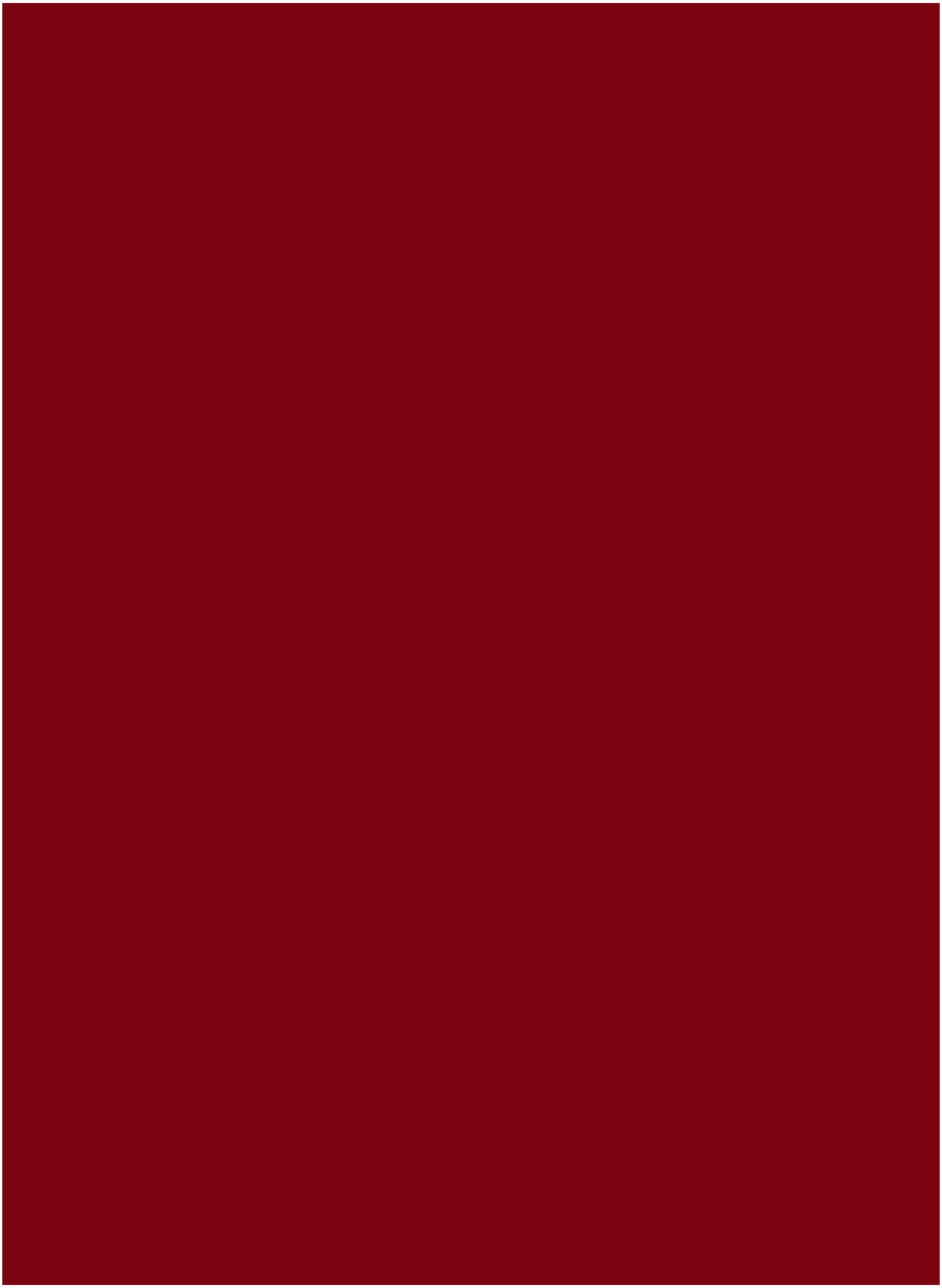
You can build your experience, while at school, by participating in applied learning activities such as:

- Co-op work terms, internships and practicums
- Volunteering with clubs or societies on campus (or starting your own)
- Starting a new side hustle
- Seeking out volunteer opportunities on campus
- Participating in international field schools and or study abroad opportunities

Activity:

From this list of possible activities to build your experience and practical skills, select one activity to explore further.

- Find out about co-op and internship opportunities at your school
- List some side hustles to explore
- Identify possible volunteer opportunities
- List possible clubs to join
- List international field schools offered at your school
- List study abroad opportunities



Chapter 11
Retailing and Wholesaling



Yardlock Corporation

LEARNING OBJECTIVES

- LO 1 Describe the benefits that retailing provides for consumers
- LO 2 Classify retail outlets by forms of ownership
- LO 3 Explain the importance of target market selection and positioning for retailers
- LO 4 Outline the retailing marketing mix and its four variables
- LO 5 Discuss non-store retailing and its role in the retail world
- LO 6 Describe why consumers shop and buy online, what they purchase, and how marketers influence online purchasing behaviour
- LO 7 Explain how retailers use the mobile channel
- LO 8 Describe the types of wholesalers and the functions they perform

CHAPTER OUTLINE

- Simple solutions work

- The value of retailing
- Forms of ownership
- Target market selection and positioning
- Retailing mix
- Non-store retailing
- Online retailing
- Retailer's usage of the mobile channel
- Wholesaling

CHAPTER FEATURES

Greentailing

How Canadian companies like Roots are leading in sustainability.

Living Beyond Books

Indigo's evolution as a retailer.

Listening to customers, and developing products is one role marketers have. Ensuring the products are available where and when they want them is another important role.

Homeowners want to feel secure in their homes. Protecting the inside of a home is normally the first step; however, it's also important to keep backyards, sheds, and garages—where people keep barbecues, bicycles, and furniture—safe.

Don Wepf, founder of YARDLOCK Corporation, has the perfect solution for these homeowners. "Several years ago, when we decided to purchase a pool, our backyard security suddenly became an important issue," says Don. The town where he lived required a fenced yard around the pool and secured access to the pool area. This was not only to keep the pool secure, but to also keep the backyard locked for the safety of small children.

According to Don, "having a locked backyard can be a bit of an inconvenience." His YARDLOCK solution made backyards secure while offering convenient entry and exit of the yard.

The product development process took some time as Don learned from his attempts to secure the backyard. Although a standard padlock locked the gate, it created several other problems. "When we wanted to enter the backyard from the outside, we had to go into the house, remove our shoes, search for the key, put on our shoes and then finally unlock the gate," says Don. "After all that, we would go back into the house and put away the key. After a while, a simple task of going into the backyard became a frustrating chore in itself."

Thinking through easier and faster ways to get in and out of backyards, Don discovered most people either reach over the fence or use a pull rope to open their gates. These methods offer convenience, but not security. After further primary and secondary research, Don realized that there was no keyless lock available that offered two-way access for a wooden gate. That was when the YARDLOCK solution was created. Don developed a mechanism that could either lock or unlock the gate by punching in a code. A simple solution that offered security, peace of mind, and convenience.

The organization's main mission is to produce high quality products that meet and exceed the expectations of customers. Greg Seelman, YARDLOCK's vice president of operations says, "Our employees recognize that our company exists

because of our customers, and that our success is dependent on meeting their expectations."

YARDLOCK distributes directly and through retailers committed to customer satisfaction, orders shipped on time, and courteous and professional service. "Using both traditional retailing, and non-store retailing strategies help us get more products into the hands of our customers," Greg says.[1]

reality CHECK

As you read Chapter 11, refer back to the YARDLOCK vignette to answer the following questions:

- Why do you think YARDLOCK uses both traditional and non-store retailing strategies?
- Why do you think YARDLOCK has such a focus on timely shipping, and professional service?

The Value of Retailing

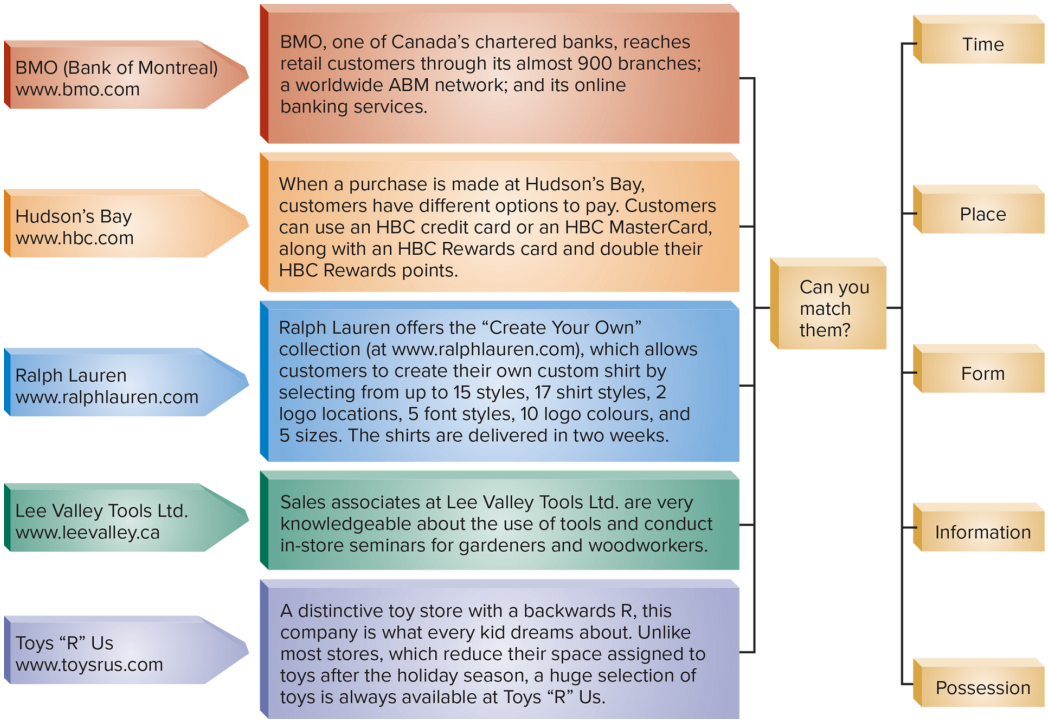
LO 1 **Retailing** includes all activities involved in selling, renting, and providing goods and services to ultimate customers for personal, family, or household use. Distribution involves creating a place where the customer can access a product. It is a key and evolving component of the marketing mix. As technology enables customers to access multiple channels of distribution, the challenge of retailers becomes anticipating customer needs and providing them with favourable purchasing options.

Retailing is an important marketing activity that engages consumers by offering a place for showcasing products that creates interest and excitement. Shopping is not only a way to acquire necessities but also a social activity and often an adventure—retailing makes this possible. Producers and consumers are brought together through retailing actions, and retailing also creates customer value and has a significant impact on the economy. Retailing's economic value is represented by the number of people employed in retailing as well as by the total amount of money exchanged in retail sales. Technology is disrupting the retailing landscape.

Consumer Utilities Offered by Retailing

The utilities provided by retailers create value for consumers. Time, place, form, information, and possession utilities are offered by most retailers in varying degrees, but one utility is often emphasized more than others. Look at **Figure 11–1** to find out how well you can match the retailer with the utility being emphasized in the description.

Figure 11–1 Which company best represents which utilities?



Placing mini-banks in supermarkets puts the bank's products and services close to the consumer, providing place utility. Retail kiosks continue to grow in supermarkets and drugstores as this self-source technology is meant to improve service.[2] Hudson's Bay makes the purchase easier by offering different ways to pay for the purchase, providing possession utility. Form utility—production or alteration of a product—is offered by Ralph Lauren through its online "Create Your Own" program, which offers shirts that meet each customer's specifications. Finding well-stocked toy shelves year-round is the time utility dreamed about by every child (and many parents) who enter a retailer's toy section.

Many retailers offer a combination of the four basic utilities. Some supermarkets, for example, offer convenient locations (place utility) and are open 24 hours (time utility). In addition, consumers may seek additional utilities such as entertainment, recreation, or information.

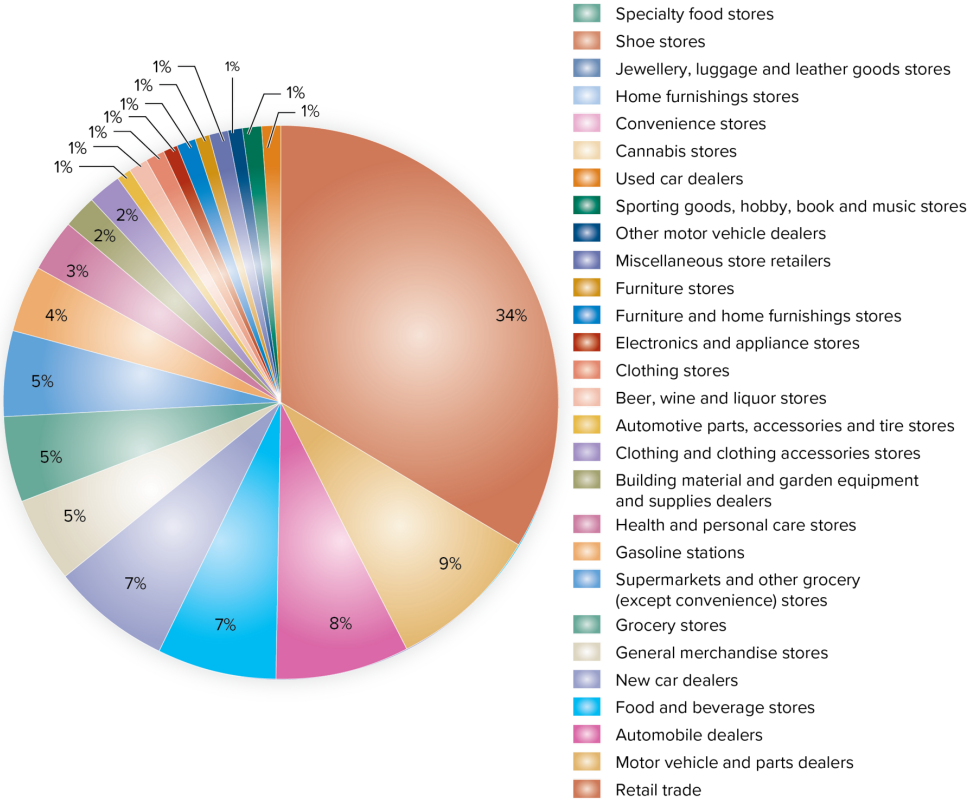
The Canadian Retail Scene

Retail is a vibrant and important part of the Canadian economy as retailers develop strong ties with Canadians throughout their everyday lives.

In 2021, Canadian retailers had revenues of over $674 billion.[3] In Canada, Loblaw Companies Limited, Empire Company Limited, and Metro Inc. are leaders in terms of sales, while Wal-Mart Stores Inc., Costco Wholesale Corporation, and The Kroger Co. are in the top 10 globally.[4]

Figure 11–2 shows us the percentage of retail dollars spent in various industries.

Figure 11–2 Retail sales for 2021 in Canada by industry*



Source: "Retail trade sales by industry," Statistics Canada, February 21, 2023, accessed at www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=2010000802.

There is a growing trend for American retailers to open locations in Canada. However, entering the Canadian retail scene is not easy. Hudson's Bay Company (HBC) sold the bulk of its weakest chain, Zellers Inc., to the U.S. retail giant Target. The chain assumed control of up to 220 Zellers stores. The move, which came after years of rumours and discussion about Target's desire to acquire space in Canada, dramatically reshaped the domestic retail

landscape. It underscored the growing demand by foreign retailers for Canadian locations to take advantage of the country's relatively healthy economy as well as the importance of Canadian retailers to be competitive to keep Canadians shopping at home. Unfortunately, two years after it opened its first stores in Canada, Target closed down its Canadian retail operations. Ironically, in 2022, HBC announced it would be reintroducing the Zellers brand through digital-first experiences complemented by physical locations.[5]

The Global Retail Picture

Retailing is also a very important factor in the global economy, and it is a difficult retail climate for store owners. In the past few years, the worldwide economy has been challenged by issues such as terrorism, economic downturn, reduced tourism, political crises, and low consumer confidence. All of these issues translate into lower sales for retail. At the same time, consumers are empowered, and it is more difficult to gain and maintain their loyalty. Profits have to be worked at very diligently. Technology is making the industry more sophisticated and streamlined, and consolidation makes some competitors large and very powerful. It is a demanding and thorny business.

Not all countries have experienced the soft demand and market challenges that have characterized the major industrialized nations. Some of the developing countries or emerging markets in Asia and Eastern Europe are experiencing solid growth and are developing modern types of retailing. China, India, and Russia are seen as some of the biggest growth opportunities for retail in the next few years.

A study of the top 250 global retailers by Deloitte ranks the world's biggest retailers. The chart accompanying **Figure 11–3** shows that most of the top ten global retailers have sought opportunities to serve consumers outside their country of origin.

Figure 11–3 Where do we find the top retailers in the world? Who are they?

Rank	Country of Origin	Name of Company	FY2021 Retail Revenue (US$ Millions)
1	U.S.	Walmart Inc.	$572,754
2	U.S.	Amazon.com Inc.	$239,150

Rank	Country of Origin	Name of Company	FY2021 Retail Revenue (US$ Millions)
3	U.S.	Costco Wholesale Corporation	$195,929
4	Germany	Schwarz Group	$153,754
5	U.S.	The Home Depot, Inc.	$151,157
6	U.S.	The Kroger Co.	$136,971
7	China	J.D. Com, Inc.	$126,387
8	U.S.	Walgreens Boots Alliance Inc.	$122,045
9	Germany	Aldi Einkauf GmbH & Co. oHG	$120,947
10	U.S.	Target Corporation	$104,611

Source: Deloitte, Global Powers of Retailing 2023, accessed at www.deloitte.com/global/en/Industries/consumer/analysis/the-global-powers-of-retailing.html.

Critical Thinking for Marketing

1. *Ralph Lauren offers form utility when it makes shirts to customer preferences. Consider the purchase process of a Ralph Lauren shirt. What functions provide the additional utilities?*
2. *Why do you think the seven of the top 10 retailers in the world are from the United States?*

Forms of Ownership

LO 2 For manufacturers, consumers, and the economy, retailing is an important component of marketing that has several variations. Because of the large number of alternative forms of retailing, it is easier to understand the differences among retail institutions by recognizing that outlets can be classified by ownership. **Form of ownership** distinguishes retail outlets on the basis of whether individuals, corporate chains, or contractual systems own or control the outlet. Each form has its own benefits and challenges.

Independent Retailer

One of the most common forms of retail ownership is the independent business, owned by an individual. Small independent retailers account for more than 60 percent of the total retail trade in Canada. They tend to be retailers such as bakeries, sporting goods stores, jewellery stores, or gift stores. Other types of small independent retailers include restaurants, automotive supply stores, bookstores, paint stores, flower shops, and women's accessories outlets. The advantage of this form of ownership for the owner is that he or she can be his or her own boss. For customers, the independent store can offer convenience, quality personal service, and lifestyle compatibility. This is mainly due to the smaller organization being able to adapt and to be more efficient than its larger competitors.[6]

Corporate Chain

A second form of ownership, the corporate chain, involves multiple outlets under common ownership. If you've ever shopped at Hudson's Bay or Real Canadian Superstore, you've shopped at a chain outlet.

In a chain operation, centralization of decision-making and purchasing is common. Chain stores have advantages in dealing with manufacturers, particularly as the size of the chain grows. A large chain can bargain with a manufacturer to obtain good service or volume

discounts on orders. Loblaw's large volume makes it a strong negotiator with manufacturers of most products. The buying power of chains is obvious to consumers who compare prices at chain stores with other types of stores. Consumers also benefit in dealing with chains because there are multiple outlets with similar merchandise and consistent management policies.

Retailing has become a high-tech business for many large chains. Walmart, for example, has developed a sophisticated inventory-management and cost-control system that allows rapid price changes for each product in every store. In addition, stores such as Walmart are implementing pioneering new technologies such as radio frequency identification (RFID) tags to improve the quality of information available about products. RFID is a tag that is incorporated in a product for tracking purposes, which improves the efficiency of inventory tracking and management.

Contractual System

Contractual systems involve independently owned stores that use leverage to act like a chain. Contractual systems include retailer-sponsored co-operatives, wholesaler-sponsored voluntary chains, and franchises. One retailer-sponsored co-operative is Home Hardware, which is a collection of independent hardware and home-renovation stores across Canada.

Home Hardware actually created its own wholesale operation to take full advantage of dealings with manufacturers and suppliers. As a co-operative, members can take advantage of volume discounts commonly available to chains and also give the impression of being a large chain, which may be viewed more favourably by some consumers. Wholesaler-sponsored voluntary chains such as Independent Grocers' Association (IGA) try to achieve similar benefits.

In a franchise system, an individual or firm (the franchisee) contracts with a parent company (the franchisor) to set up a business or retail outlet. McDonald's, Holiday Inn, and Subway all offer franchising opportunities. The franchisor usually assists in selecting the store location, setting up the store, advertising, and training personnel. In addition, the franchisor provides step-by-step procedures for major aspects of the business and guidelines for the most likely decisions a franchisee will confront. The franchisee pays a one-time franchise fee and an annual royalty, usually tied to the store's sales.

By selling franchises, an organization reduces the cost of expansion, although they lose some control. To ensure mutual benefits to all parties involved, a good franchisor concentrates on enhancing the image and reputation of the franchise name, as well as keeping things modern. In fact, a McDonald's franchise in Richmond, British Columbia recently updated its 1967 look in 2017.[7]



McDonald’s offers franchising opportunities and allows franchises to refresh the look.

Sorbis/Shutterstock

Target Market Selection and Positioning

LO 3 Retailing involves many decisions and considerations. In this section, we look at the issues in selecting a target market and the concept of retail positioning.

Selecting a Target Market

The first task in developing a retail strategy is to define a target market, describing it in detail. Without customers, even the best-conceived retail concept is nothing, so focusing on customers is the guiding principle of successful retail businesses. This focus involves understanding wants and needs, knowing customer preferences, analyzing behaviour, and deciding how to craft all of the dimensions of the retail concept to appeal to the targeted customer. Look at any mall or shopping district, and you will see the varied selection of retail offerings the customer has to choose from. This provides a challenge to retailers. It is no longer enough to appeal to customers; now the retailer has to interest, engage, and delight customers in order to foster loyalty.

“McDonald’s and Subway look at demographics–population, family, and age characteristics–to determine where new restaurants should be located and what formats to offer.”

How do we define target markets? The most common descriptors are geographic, demographic, psychographic, and behaviouristic. Retailers study these factors and adjust their retail mix accordingly. McDonald’s and Subway look at demographics–population, family, and age characteristics–to determine where new restaurants should be located and what formats to offer. Retailers such as Canadian Tire look at consumers’ trends and tastes and adjust their product offerings and store composition to match customer preferences. Staples and Shoppers Drug Mart have adjusted their store hours to respond to the behaviour of consumers; many now prefer to shop and do errands in the evening after working during the day. In fact, some retailers are open 24 hours a day.

Retail Positioning

Just as marketers of packaged goods position their products to differentiate themselves from competitors, so do retailers. For example, Harry Rosen is a high-end men's clothing retailer. It would be a mistake in times of recession for Harry Rosen to start carrying lower-quality, low-priced suits. Larry Rosen, CEO and chairman of Harry Rosen Inc., and son of founder Harry Rosen, says, "The customer who is used to the quality and calibre of our product is not looking for a cheaper product. Maybe he'll buy slightly less this year but it's not about reducing quality. It's about sticking to your guns, to who you are." The confidence to be able to do so comes from a deep understanding of your customers and their buying habits.[8]

Shopper Marketing

Shopper marketing is a hot trend in marketing today. It is a discipline designed to understand how consumers behave as shoppers in different channels and formats. Consequently, shopper-marketing practices extend well outside of the store, to the place and time when a consumer first thinks about purchasing a product. That might be on a treadmill at the gym, at home reading a magazine, or in the car while driving to work. That means that shopper marketing is by necessity a multi-channel practice that makes use of traditional media, new media, direct marketing, loyalty, trade promotion, and innumerable other marketing techniques.



Harry Rosen, a high-end men's clothing retailer, provides a good example of retail positioning.

Used by permission of Harry Rosen Inc.

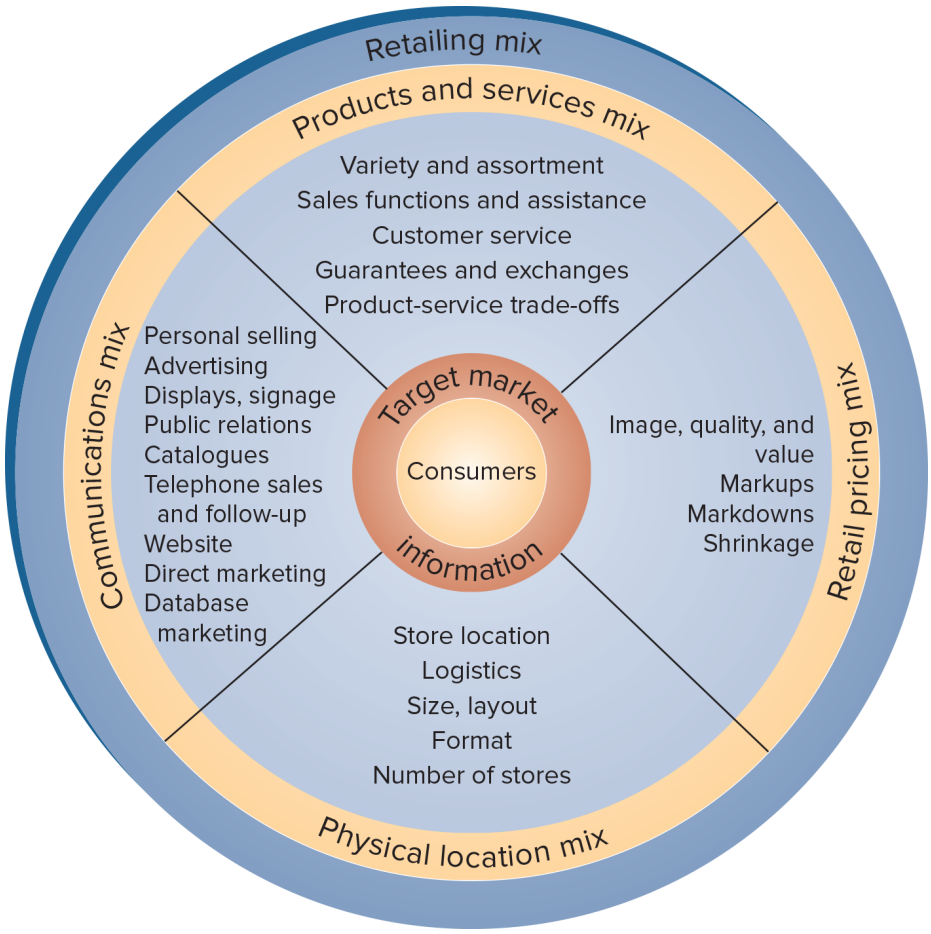
Underneath it all is one area that is largely alien to traditional marketers, whose focus has been almost exclusively on understanding *consumers*—that is, the consumption of goods and services. What's been ignored is understanding *shoppers*—that is, consumers when they are in

the shopping mode. Shopper marketing is new to Canada, but the distinction in understanding shoppers is important.[9]

Retailing Mix

LO 4 The marketing mix, or the 4 Ps (product, price, place, and promotion), is used in retail just as it is in other businesses, but with some unique considerations. In this section, we look at the retailing mix, which includes product and service considerations, retail pricing, physical location factors, and communications, as shown in Figure 11–4. All of these components of the mix focus on the consumer. In retail, it is often said that the consumer is king, and treating consumers that way is a winning idea for successful retailing.

Figure 11–4 The retailing mix



The positioning of a retail store must be consistent with the store's **retailing mix**. The four elements must be coordinated so that they portray a clear position to consumers. For example, Winners is positioned as a store providing upscale designer clothing at a discount price. If prices suddenly rose and consumers came to the conclusion that they were not getting a bargain, Winners' positioning would not be effective.

Products and Services

One of the first decisions that retailers make is what they are going to sell. Usually, both services and products are offered. McDonald's offers a hamburger, which is the tangible product, but the smiles, thank yous, and clean washrooms make up some of the service components. A department store such as Hudson's Bay sells many products—from clothing to housewares—and also provides services such as bridal registries. First Choice Hair Cutters provides services such as haircuts, colouring, and styling, but also sells hair care products. The balance between products and services involves a trade-off between costs and customer satisfaction.

Level of Service

Most customers perceive little variation in retail outlets by form of ownership. Rather, differences among retailers are more obvious in terms of level of service. **Level of service** is used to describe the degree of service provided to the customer. Three levels of service include self-, limited-, and full-service retailers. Stores such as Costco do not offer bags, while outlets such as Holt Renfrew provide a wide range of customer services from gift wrapping to wardrobe consultation.

SELF SERVICE

Self service is at the extreme end of the level-of-service continuum because the customer performs many functions and little is provided by the outlet. Home building-supply outlets and gas stations are often self-service. Warehouse stores such as Costco, usually in buildings several times larger than a conventional store, are self service, with all non-essential customer services eliminated. Several new forms of self service include FedEx's placement of self-service package shipping stations in retail stores and office buildings, and self-service scanning systems currently in use in Loblaw stores, Home Depot, Walmart, and other retailers.

LIMITED SERVICE

Limited-service outlets provide some services, such as credit and merchandise return, but not others, such as alterations to clothes. General merchandise stores such as Shoppers Drug Mart and Ikea are usually considered limited-service outlets. Customers are responsible for most shopping activities, although salespeople are available in departments such as cosmetics at Shoppers Drug Mart.

FULL SERVICE

Full-service retailers, which include most specialty stores and department stores, provide many services to their customers. Holt Renfrew, a Canadian specialty fashion retailer with nine stores across the country, is very committed to exemplary customer service. Its stores feature more salespeople on the floor than other similarly sized stores, and Holt Renfrew offers a national concierge service, as well as personal shopping in each store. Employees are trained in customer follow-up, and many call their clients to advise them of new merchandise and send thank-you notes after purchase. With an eye kept fixed on customers and their evolving needs, Holt Renfrew is a leader in merchandise assortments and in innovations in customer services demonstrated by its previous successes and future expansion plans.[10]

Merchandise Mix

Merchandise selection is one of the major attracting factors for customers, so choices and combinations must be made carefully and continually updated to reflect current trends and tastes. This involves finding sources of supply of the products, or having them manufactured, as well as managing inventory and warehousing. The **merchandise mix** describes how many different types of products a store carries and in what assortment. The Making Responsible Decisions box, **Greentailing**, suggests that the move to carrying eco-friendly products, and promote sustainability is another factor in retailers' merchandise mix decisions.[11]

Greentailing

Would you pay more for a product or service if you knew that choice would make a positive impact on the planet? As more and more Canadians focus on sustainability, the answer to that question will more likely be "Yes."

The COVID-19 global pandemic caused retailers to pivot and consumers to reflect. With more and more options for consumers, retailers are looking for ways to differentiate themselves. Consumers are focusing more on the planet, and the impact decisions have on our world.

Buying from a local retailer, as opposed to a national chain, may cost more, but the benefits in shopping local add perceived benefits, and therefore value, to Canadians. Local retailers cannot negotiate the same volume discounts as larger chains, so they focus on wasting less. Local retailers do not have the same advertising budgets as national brands, so they build their customer base through word-of-mouth, relationships, and community.

As Canadian consumers, and consumers around the world re-evaluate their priorities, values, and beliefs, retailers need to understand what is important to them. Sustainability is becoming more and more important. As consumers take more ownership of sustainable practices, they look to the businesses they frequent to be accountable as well.



©Jill Morgan/Alamy Stock Photo

Showing a commitment to sustainability can take the form of promoting reusable bags, additional recycling stations, or advertising that encourages customers not to buy in excess. Since a Canadian consumer can only do so much, they are holding the brands they trust accountable.

Social and environmental issues will continue to be at the forefront, so businesses need to listen, adapt, and take action. Businesses want to build brands that Canadian consumers are proud to be associated with, and these brand choices must be affordable.

Since consumers are becoming more and more aware of the impact of their purchases on the environment, green products have become increasingly available, and more emphasis is being placed on marketing them. For example, apparel companies have begun to produce environmentally friendly clothing. Roots employs

sustainable practices through the use of eco-friendly materials and manufacturing clothes out of organic or recycled cottons. The company continues to develop more eco-friendly products each year.

The larger strategy being considered in Canadian retailing and business is corporate social responsibility (CSR), where companies voluntarily conduct business in a manner that is sustainable from an economic, social, and environmental standpoint. Not only is CSR important locally, but Canadian companies see the value of incorporating their practices on an international scale.

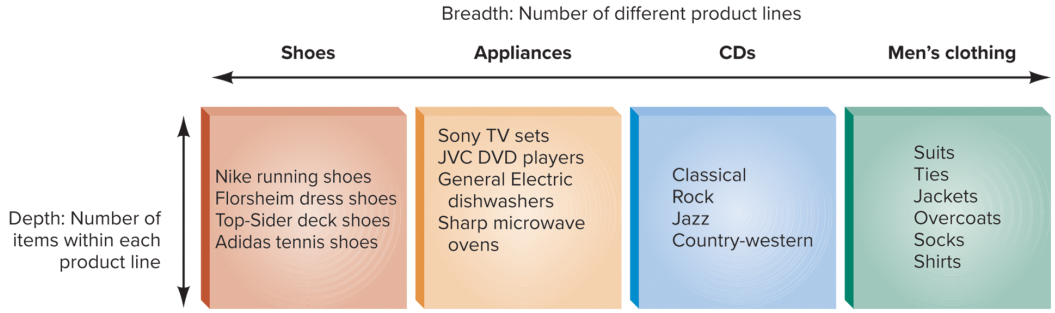
In order to grow, sustainability needs to be part of a company's strategy. As future generations of workers want employers that are conscious of their environmental impact, businesses need to adapt or miss out on strong talent. Previously, sustainability for a business was choice. Soon it will be a requirement.

Questions

1. Describe the target market that retailers that are trying to reach by adopting green practices.
2. Considering a retailer you have made a purchase from, and identify three changes it can make to its practices that would support a green economy.

Retail outlets vary by their merchandise mix, the key distinction being the breadth and depth of the items offered to customers (see **Figure 11–5**). **Depth of product line** means the assortment of products within each product line, such as a shoe store that offers running shoes, dress shoes, and children's shoes. **Breadth of product line** refers to the variety of different lines a store carries, such as women's clothing, men's clothing, children's clothing, cosmetics, and housewares.

Figure 11–5 Breadth versus depth of merchandise lines



DEPTH OF LINE

Stores that carry a large assortment (depth) of a related line of items are limited-line stores. Sport Chek sporting goods stores carry considerable depth in sports equipment, ranging from golf accessories to running shoes. Stores that carry tremendous depth in one primary line of merchandise are single-line stores. Victoria's Secret carries great depth in women's lingerie. Both limited- and single-line stores are often referred to as *specialty outlets*.

Despite depth of line, there are many challenges facing Canadian retailers. Consider The Gap Inc. announcement in 2019. The once thriving clothing and accessories retailer closed stores in Canada as part of a global strategy to eliminate almost half of Gap's locations.

Although closing stores would reduce annual sales, eliminating the fixed and variable costs from low profit stores led to multi-million dollar savings for the company.[12]



Gap stores were being closed in early 2019.

Stephen Garbutt/Alamy Stock Photo

Specialty outlets focus on one type of product, such as electronics (Best Buy), office supplies (Staples), or books (Indigo Books & Music) at competitive prices. These outlets are referred to in the trade as "category killers" because they often dominate the market. Indigo Books & Music, for example, controls a large percentage of the retail book market in Canada.

Retailers build strong brands with consumers and other companies. The data box below shows which companies impress Canadian executives with their innovation, culture, and social responsibility.

Impressive Companies

The top 10 most impressive businesses, according to Canadian executives:

Rank	Brand
1	Shopify
2	Microsoft
3	Amazon Web Services
4	Salesforce
5	Zoom
6	Slack
7	RBC
8	Telus
9	TD
10	McKinsey

Source: Aaliya Dasoo, "Strike up the brands: Which companies have impressed Canadian executives through innovation, culture and social responsibility," *The Globe and Mail*, May 28, 2021, accessed at www.theglobeandmail.com/business/rob-magazine/article-strike-up-the-brands-which-companies-have-impressed-canadian/.

BREADTH OF LINE

Stores that carry a variety of product lines, with limited depth, are referred to as *general merchandise stores*. For example, large department stores such as Hudson's Bay carry a wide range of different lines of products but not unusual sizes. The breadth and depth of merchandise lines are important decisions for a retailer. Traditionally, outlets carried related lines of goods. Today, however, **scrambled merchandising**, offering several unrelated product lines in a single store, is common. The

modern drugstore carries food, cosmetics, camera equipment, magazines, paper products, toys, small hardware items, and pharmaceuticals. Supermarkets rent carpet-cleaning equipment, operate pharmacy departments, and sell flowers.

Scrambled merchandising makes it convenient for consumers because it eliminates the number of stops required in a shopping trip. However, for the retailer, this merchandising policy means that there is competition between very dissimilar types of retail outlets, or **intertype competition**. A local bakery may compete with a department store, discount outlet, or even a local gas station. Scrambled merchandising and intertype competition make retailing more challenging.

Planograms

A planogram is a visual diagram or drawing of fixtures and products that illustrates how and where retail products should be placed on a store shelf. It also illustrates how many facings should be allocated for each stock-keeping unit (SKU). The planogram is arranged so that the fastest-moving high-margin products get the most space on the shelf. For example, Procter & Gamble works closely with Walmart by providing the retailer with planograms, which lead to higher profits than if products were placed indiscriminately on the shelf.



Indigo Books & Music is the largest book retailer in Canada and is a category killer.

Used with permission from Indigo

As competition increases, we're seeing suppliers and retailers becoming more aware of the importance of correctly merchandising their products. Some retailers produce their own planograms while others, such as Walmart, receive planograms from suppliers such as Procter & Gamble.

Store Atmosphere

Store atmosphere is related to the positioning of a store. For example, Costco has a warehouse appearance that is consistent with the low prices that it offers. *Store atmosphere* refers to the physical characteristics of a store that provide an overall impression to the consumer. These characteristics consist of the exterior and interior appearance and physical layout of the store. The Apple Store's customer-friendly layout encourages consumers to mingle and sample the products. Apple successfully trademarked its store design and continues to trademark the distinctive design and layout of its retail store in Canada. It filed an application with the Canadian Intellectual Property Office and received a trademark for its distinctive design and layout.[13]



Apple offers a store atmosphere allowing consumers to engage with Apple products.

emasali stock/Shutterstock

The Apple Store is usually quite crowded. This frenetic atmosphere draws in even more people who want to be part of the "event." Every Apple Store offers a range of services designed to help customers get the most out of their Apple products, including face-to-face support and advice at the Genius Bar, hands-on workshops, and special programs for kids.

Retail Pricing

In setting prices for merchandise, retailers must decide on the markup. The *markup* refers to how much should be added to the cost the retailer paid for a product to reach the final selling price. We discussed the calculation of markup in **Chapter 9**. The difference between the final selling price and retailer cost is called the gross margin.

Discounting a product, or taking a *markdown*, occurs when the product does not sell at the original price and an adjustment is necessary. Often, new models or styles force the price of existing models to be marked down. Discounts may also be used to increase demand for related products.[14] For example, retailers might take a markdown on QD-OLED televisions to increase sales of televisions, or reduce the price of cake mix to generate frosting purchases. The *timing* of a markdown can be important. Many retailers take a markdown as soon as sales fall off, to free up valuable selling space and obtain cash. However, other stores delay markdowns to discourage bargain hunters and maintain an image of quality. There is no clear answer, but retailers must consider how the timing might affect future sales.

> *"What is surprising is that more than 50 percent of thefts are made not by consumers but by employees."*

Although most retailers plan markdowns, many retailers use price discounts as a part of their regular merchandising policy. In Canada, retailers such as Walmart emphasize consistently low prices and eliminate most markdowns with a strategy often called *everyday low pricing*.[15] Consumers often use price as an indicator of product quality; however, the brand name of the product and the image of the store become important decision factors in these situations.[16]

A special issue for retailers trying to keep prices low is **shrinkage**, or breakage and theft of merchandise by customers and employees. What is surprising is that more than 50 percent of thefts are made not by consumers but by employees.

Off-price retailing is a retail pricing practice that is used by retailers such as Winners. **Off-price retailing** involves selling brand-name merchandise at lower than regular prices. The difference between the off-price retailer and a discount store is that off-price merchandise is bought by the retailer from manufacturers with excess inventory at prices below wholesale prices, whereas the discounter buys at full wholesale price but takes less of a markup than do traditional department stores. Because of this difference in the way merchandise is purchased by the retailer, selection at an off-price retailer is

unpredictable, and searching for bargains has become a popular activity for many customers. Savings to the customer at off-price retailers are reported as high as 70 percent off the prices of a traditional department store.

Critical Thinking for Marketing

1. *Think of a company and consider the four components of the retailing mix. How much emphasis is put on each component, and why?*
2. *Would a shop for big men's clothes carrying pants in sizes 40 to 60 have a broad or deep product line?*

Physical Location

Another aspect of the retailing mix involves deciding where to locate the store and how many stores to have. Department stores, which started downtown in most cities, have followed customers to the suburbs, and in recent years, more stores have been opened in large regional malls. Most stores today are near several others in one of five settings: the central business district, the regional centre, the community shopping centre, the strip, or the power centre.

The **central business district** is the oldest retail setting, the community's downtown area. Until the regional outflow to suburbs, it was the major shopping area, but the suburban population has grown at the expense of the downtown shopping area.

Regional shopping centres consist of 50 to 150 stores that typically attract customers who live or work within a 5- to 15-km range. These large shopping areas often contain two or three anchor stores, which are well-known national or regional stores such as Hudson's Bay. One of the largest variations of a regional centre is the West Edmonton Mall in Alberta. The shopping centre is a conglomerate of over 800 stores, seven amusement centres, 110 restaurants, and a 355-room Fantasyland hotel.[17]

A more limited approach to retail location is the **community shopping centre**, which typically has one primary store (usually a department store branch) and often about 20 to 40 smaller outlets. Generally, these centres serve a population of consumers who are within a 2- to 5-km drive.

Not every suburban store is located in a shopping mall. Many neighbourhoods have clusters of stores, referred to as a **strip location**, to serve people who are within a 5- to 10-minute drive. Gas station, hardware, laundry, grocery, and pharmacy outlets are commonly found in a strip location. Unlike the larger shopping centres, the composition of these stores is usually unplanned. A variation of the strip shopping location is called the **power centre**, which is a large shopping strip with many national stores. Power centres are seen as having the convenient location found in many strip centres and the added power of national stores. These large strips often have two to five anchor stores plus a supermarket, which brings the shopper to the power centre on a weekly basis.[18]



Power centres are unenclosed shopping centres.

©David Cooper/Toronto Star via Getty Images

Communications

The elements of the retailing communication mix described in **Figure 11–4** represent an exciting menu of choices for creating customer value in the marketplace. Each format allows retailers to offer unique benefits and meet particular needs of various customer groups. Today, retailers combine many of the formats to offer a broader spectrum of benefits and experiences. These **multichannel retailers** utilize and integrate a combination of traditional store and non-store formats such as catalogues and online retailing. Indigo Books & Music, for example, created **chapters.indigo.ca** to compete with Amazon. Furthermore, the Marketing Matters box, **Living Beyond Books**, discusses how Indigo's is evolving to help enhance its customer experience.[19]

Marketing Matters

Living Beyond Books

Even after over 25 years in operation, Canada's leading book retailer continues to evolve. In Canada, Chapters was a recognizable book retailer. In 2001, its merger with Indigo led to a name change, and over the past few years, an intentional shift in product offering. Indigo is continuing to develop its retail stores for the future, and enhance its digital experience.

There are 87 superstores under the Indigo and Chapters brands, and 84 smaller stores under the Coles and IndigoSpirit banners. During holiday seasons, gift ideas populate Indigo stores and promotional activities. Who would think you could get cookware in the same place that you purchase reading materials? Passport holders, bags, and mugs might make sense for travellers, but art supplies? The goal for Indigo is to create an experience where Canadians find items that align with what they value.

Indigo's online retail strategy means the website is organized into areas of interest. Cooking, crafts, fashion, and self-care seemed to match the same categories that browsers could see in their local Indigo stores. This was an incredible pivot, requiring foresight as Canadians started consuming more literature online.



An Indigo store in Toronto, Ontario.

Mikecphoto/Shutterstock

Indigo is now a book and lifestyle brand. It has identified itself beyond books with a focus on providing a one-stop shopping experience for Canadians. As the new lifestyle categories emerge, Indigo is prepared to expand into them. Categories like Gifting, Gourmet, Tween, and Wellness are either new or growing in the future.

But how do you market lifestyle? For Indigo, it means a great deal of merchandising with various product displays. Cocktail glasses and cooking supplies for the foodie, baby items for the young family, and workout gear for the athlete. These products complement the array of books that can be used to educate Canadians on the various lifestyles and values they are pursuing.

Finally, Indigo recognizes that Canadians expect an omnichannel experience. Physical retail experiences and digital retail experiences need to seamless and integrated. Canadians want to shop where they want and how they want.

Questions

1. What other retailers have established a strategy of product expansion similar to Indigo's?
2. What other retailers could establish an expansion of their product offerings? How would they do it?

Integrated channels can make shopping simpler and more convenient. A consumer can research choices online or in a catalogue and then make a purchase online, over the telephone, or at the closest store. In addition, the use of multiple channels allows retailers to reach a broader profile of customers. While online retailing may cannibalize catalogue business to some degree, a Web transaction costs about half as much to process as a catalogue order. Multi-channel retailers also benefit from the synergy of sharing information among the different channel operations.

Critical Thinking for Marketing

1. *Explain how shrinkage impacts retailers.*
2. *How do multi-channel retailers make shopping simpler and more convenient?*

Non-store Retailing

LO 5 Most of the retailing examples discussed earlier in the chapter, such as corporate chains, department stores, and limited- and single-line specialty stores, involve the consumer physically being in the store. Many retailing activities today, however, are not limited to sales in a store. Non-store retailing occurs outside a retail outlet through activities that involve varying levels of customer and retailer involvement. Forms of non-store retailing include automatic vending, television home shopping, and direct marketing (direct mail and catalogue retailing, telemarketing, direct selling, and online buying). Many traditional bricks-and-mortar stores are involved in non-store retailing, making them "click and mortar" concepts; for example, Indigo Books & Music has developed **chapters.indigo.ca**, its online store. Dell Computers, in contrast, relies mainly on non-store retailing for its consumer sales.

Automatic Vending and Kiosks

Non-store retailing includes vending machines, which make it possible to serve customers when and where stores cannot. Maintaining and operating vending machines is expensive, so product prices in vending machines tend to be higher than those in stores. Typically, small convenience products are available in vending machines. In Japan, products available in vending machines include dried squid, hair tonic, boxers, green tea, beer, books, clothing, and even music downloaded from a satellite transmission system. Best Buy uses automated vending kiosks in select airports across Canada.

Improved technology will soon make vending machines easier to use by reducing the need for cash. In Europe, for example, Marconi Online Systems has installed 6,000 vending machines that allow consumers to pay for products using a cell phone. Similarly, the world's largest vending machine company, Canteen Services Inc., is testing a cashless system called FreedomPay, which allows consumers to wave a small wand in front of a sensor to make a purchase.

Another improvement in vending machines—the use of wireless technology to notify retailers when their machines are empty—is one reason automatic merchandising sales are expected to increase in the future.[20]

Television Home Shopping

Television home shopping is possible when consumers watch a shopping channel on which products are displayed; orders are then placed over the telephone or the Internet. One popular network is The Shopping Channel, which has 24-hour programming and calls itself a broadcast retailer. A limitation of TV shopping has been the lack of buyer-seller interaction. New Internet technologies, however, now allow consumers to explore different possibilities.

Direct Marketing from a Retailing Perspective

We talk in detail about direct marketing in **Chapter 12**; here we introduce the idea, as it is an important form of retailing. In its simplest terms, direct marketing is an interactive process of marketing that uses advertising media or direct consumer contact to offer products or services. When a direct communication to a consumer or a business market is intended to generate a response from the recipient, direct marketing is the tactic being used.

Direct Mail and Catalogues

Direct mail and catalogue retailing is attractive because it eliminates the cost of a store and clerks. It costs a traditional retail store more than twice the amount to acquire a new customer than it costs a catalogue retailer. Why? Because catalogues improve marketing efficiency through segmentation and targeting. In addition, they create customer value by providing a fast and convenient means of making a purchase.

In Canada, the amount spent on direct mail catalogue merchandise continues to increase; internationally, spending is also increasing. IKEA used to deliver hundreds of million copies of its catalogue to 48 countries in 28 languages, including over 7 million in Canada. As IKEA has evolved with consumer needs by providing online brochures, the catalogue has become less important in connecting with customers dropping to about two million printed copies in Canada in 2019.[21]



IKEA is relying less on its catalogues to connect with its customers.

Yati Yahaya/Shutterstock

One reason for the growth in catalogue sales is that traditional retailers are adding catalogue operations. Another reason is that many Internet retailers, such as Amazon, have also added catalogues. As consumers' direct mail purchases have increased, the number of catalogues and the number of products sold through catalogues have increased. A typical Canadian household now receives dozens of catalogues every year, and there are billions circulated around the world. The competition and recent increases in postal rates, however, have combined to cause catalogue retailers to focus on proven customers rather than "prospects."

Another successful new approach used by many catalogue retailers is to send specialty catalogues to market niches identified in their databases. L.L. Bean, a longstanding catalogue retailer, has developed an individual catalogue for fly-fishing enthusiasts. Lee Valley Tools Ltd. sends out specialized catalogues for hardware, woodworking, gardening, and Christmas.

Telemarketing

Another form of non-store retailing, called **telemarketing**, involves using the telephone to interact with and sell directly to consumers. Compared with direct mail, telemarketing is often viewed as a more efficient means of targeting consumers, although the two techniques are often used together. For example, companies can utilize telemarketing to increase sales of extended warranty programs and other services.

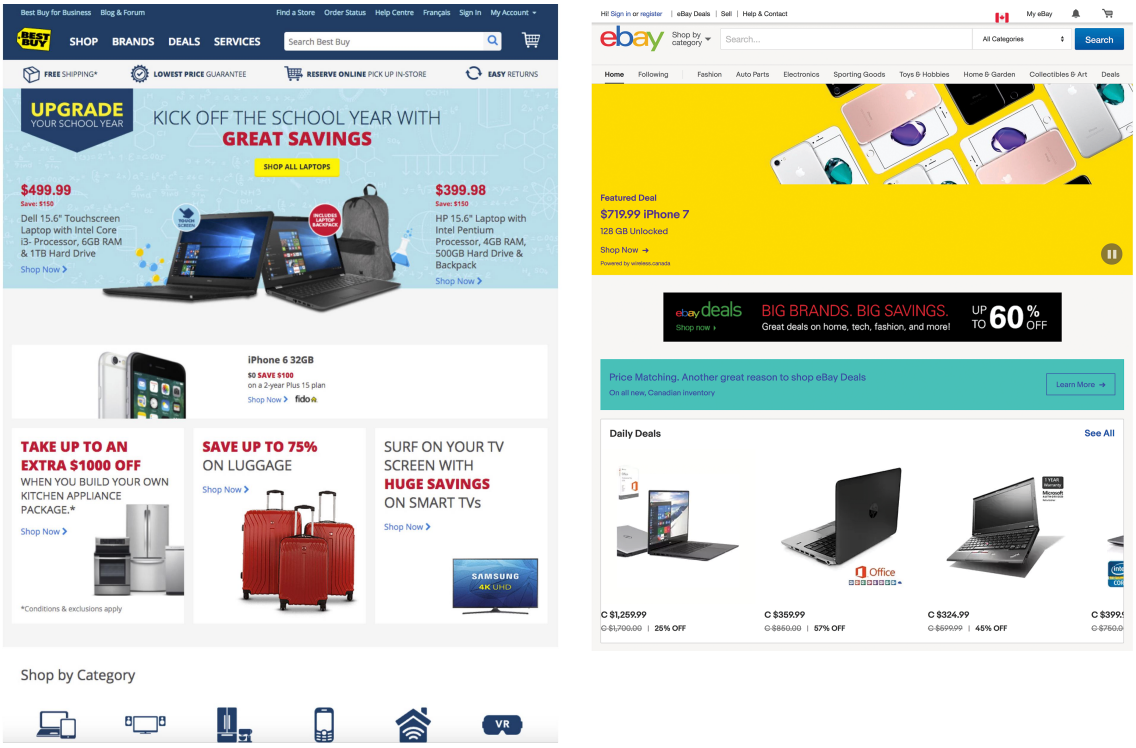
Communications companies such as Bell Mobility telemarket to new potential customers, and financial institutions such as RBC and MBNA use telemarketing for customer follow-up and cross-selling. Telemarketing has grown in popularity as companies search for ways to cut costs but still provide convenient access to their customers. Twenty-five years ago, the telemarketing industry generated $3.1 billion in sales and planned to employ one million Canadians by the year 2000. By 2007, there were approximately 250,000 Canadians employed by the industry, and it generated $17 billion in sales annually.[22]

As the use of telemarketing grows, consumer privacy has become a topic of discussion among consumers, governments, and businesses. Issues such as industry standards, ethical guidelines, and new privacy laws are evolving to provide a balance between varying perspectives. The Canadian Radio-television and Telecommunications Commission (CRTC) instituted a national Do Not Call List (DNCL), which was created to enable Canadian consumers to reduce the number of unsolicited telemarketing calls they receive. Every year, thousands of Canadians raise concerns about receiving unwanted telemarketing calls, despite being on the DNCL.

Direct Selling

Direct selling, sometimes called door-to-door retailing, involves direct sales of goods and services to consumers through personal interactions and demonstrations in their home or office. A variety of companies, including familiar names such as Avon, Tupperware, and Mary Kay Cosmetics, have created an industry with billions in sales by providing consumers with personalized service and convenience. However, sales have been declining as retail chains begin to carry similar products at discount prices and as the increasing number of dual-career households reduces the number of potential buyers who can be found at home.

In response to change, many direct-selling retailers are expanding online and into other markets. Avon, for example, already has over six million sales representatives in over 100 countries, with over 10,000 reps trained to sell online. In Canada, the Avon sales force is 65,000 strong.[23] Direct selling is likely to continue to grow in markets where the lack of effective distribution channels increases the importance of door-to-door convenience and where the lack of consumer knowledge about products and brands will increase the need for a person-to-person approach. Furthermore, it will help maximize growth and customer loyalty.[24]



Bestbuy.ca and ebay.ca are two examples of online retailers.

(left): Used by permission of Best Buy Canada. Prices as of July 2017. (right): The eBay logo is a trademark of eBay Inc.

Critical Thinking for Marketing

1. *Why are catalogue sales growing?*
2. *Where are direct-selling retail sales growing? Why?*

Online Retailing

LO 6 Online retailing allows customers to search for, evaluate, and order products through the Internet. For many customers, the advantages of this form of retailing are the 24-hour access, the ability to comparison shop, and the in-home privacy. Four in ten Canadians aged 16 and over use the Internet to purchase products and services. This is a space that can no longer be ignored by Canadian retailers, as reported by a Forrester Research study. Canadians may begin foregoing their loyalty to Canadian retailers if prices are cheaper online from non-Canadian retailers. Furthermore, Forrester Research believes that the online retail sales market will increase from $20 billion to $34 billion by 2018, creating a huge opportunity cost for Canadian retailers who have not ventured into an online retailing strategy.[25]

Studies of online shoppers indicated that men were initially more likely than women to buy something online. As the number of online households increased to more than 50 percent, however, the profile of online shoppers changed to include all shoppers. In addition, the number of online retailers grew rapidly for several years but then declined as many stand-alone, Internet-only businesses failed or consolidated. Today, there has been a melding of traditional and online retailers—"bricks and clicks"—that are using experiences from both approaches to create better value and experiences for customers.

In 2020, amongst the COVID-19 global pandemic, the melding became more of a necessity. Technology companies flourished as retailers relied more on online retailing to provide products to consumers. Companies like Skip The Dishes and Door Dash helped feed Canadians, while businesses rethought innovative ways to provide service in a contactless environment. Unfortunately, not all retailer models could adapt as easily.

In May 2020, luxury retailer Neiman Marcus, U.S. retailer J.Crew, and Montreal-based Aldo shoes were all in financial difficulty. Aldo shoes began a business-restructuring process as the COVID-19 pandemic forced the almost 50-year-old business to close stores.

Aldo was founded in 1972 as a dress shoe company focused on style. Its challenge over time has been its ability adapt to a world that is evolving more towards casual footwear. When it declared its financial challenges, Aldo was selling shoes and accessories in 3,000 stores over 100 countries.

COVID-19's negative impact on the Canadian economy saw almost 2 million jobs lost in April 2020. Court filings suggest that Aldo will be closing stores and laying off people to add to the number of jobs lost to the pandemic.[26]

Online buying is getting a boost from the comments that consumers are leaving on social media sites such as Facebook and X. These sites are having an influence on what consumers are buying online. Research shows that Facebook and X influence online buying decisions.[27]

Mobile Banking and Cashless Future

One of the biggest problems that online retailers face is that nearly two-thirds of online shoppers make it to "checkout" and then leave the website to compare shipping costs and prices on other sites. Of the shoppers who leave, 70 percent do not return. One way online retailers are addressing this issue is to offer consumers a comparison of competitors' offerings.

Online retailers are also trying to improve the online retailing experience by adding experiential, or interactive, activities to their websites. Montreal-based My Virtual Model Inc. develops software for apparel stores so that consumers can create models of themselves online to assist with the purchase process and help with product selection.[28] Car manufacturers such as BMW and Toyota encourage website visitors to build a vehicle by selecting interior and exterior colours, packages, and options and then view the customized virtual car.

Why Customers Shop and Buy Online

Customers typically offer six reasons why they shop and buy online: convenience, choice, communication, customization, cost, and control.

- **Convenience:** Online shopping and buying is *convenient,* so websites must be easy to locate and navigate, and image downloads must be fast.
- **Choice:** There are two dimensions to choice: *selection*—numerous websites for almost anything consumers want—and *assistance*—interactive capabilities of Internet/Web-enabled

technologies assist customers to make informed choices.

- **Communication:** Communication can take three forms: marketer-to-consumer email notification, consumer-to-marketer buying and service requests, and consumer-to-consumer chat rooms and instant messaging.[29]
- **Customization:** Internet/Web-enabled capabilities make possible a highly interactive and individualized information and exchange environment for shoppers and buyers. Consumers get what they want and feel good about the experience. An example is Dell, which allows consumers to choose the components of their computer rather than purchase a computer off the shelf at a bricks-and-mortar retailer.
- **Cost:** Many popular items bought online can be purchased at the same price or cheaper than in retail stores. Lower prices also result from Internet/Web-enabled software that permits *dynamic pricing,* the practice of changing prices for products and services in real time in response to supply and demand conditions. *Showrooming* refers to the practice of consumers visiting stores to physically examine products before purchasing them online at a lower price.
- **Control:** Online shoppers and buyers are empowered consumers. They readily use Internet/Web-enabled technology to seek information, evaluate alternatives, and make purchase decisions on their own time, terms, and conditions.

When and Where Online Customers Shop and Buy

Shopping and buying also happen at different times in the online marketspace than in the traditional marketplace. Though most online retail sales occur Monday through Friday, the busiest shopping day is Monday. Canadians are the world's heaviest Internet users, spending on average 34 hours online monthly. However, Canadians are not the heaviest online consumers, with one in five stating they have never purchased anything online.[30]

Online Presence

The top 10 ecommerce sites in Canada:

Rank	Retailer

1	Amazon
2	Kijiji
3	Walmart Canada
4	eBay
5	Best Buy
6	Canadian Tire
7	Costco
8	Hudson's Bay
9	Home Depot
10	Newegg Canada

Source: "Top 10 eCommerce Companies in Canada," *Clickpost*, March 22, 2023, accessed at www.clickpost.ai/blog/best-ecommerce-companies-in-canada.

Describing the Online Customer

Research indicates that more than 80 percent of Canadians over the age of 16 are now connected to the Internet. Ninety-four percent of Canadians say they use the Internet to compare prices, and 60 percent go online to read or write reviews. As a result, consumers are becoming smarter, increasingly informed, and more demanding. This trend will continue as more and more Canadians are now embracing mobile technologies from smartphones to iPads.[31]



Social media can impact consumer purchases.

PixieMe/Shutterstock

Many consumers are spending online time at social media sites such as Facebook and X as well as purchasing products and services on company websites. The following points describe the effects of social media on the online consumer:

- Research suggests that social media recommendations tend to increase the chances of people buying products or services. For instance, a study found that 50 percent of people under 35 followed the recommendations of their social media friends, compared to only 17 percent who bought because of celebrity endorsements.
- Another study reveals that while, on average, 7 percent of visitors to an online store make a purchase, if directed to the retailer via a social media site, the percentage of visitors who will make a purchase goes up to 71 percent. This means that people accessing an online retailer via social media are ten times more likely to buy something than other users.[32]
- Research has also shown that becoming a follower of a brand on X or a fan on Facebook has a positive impact on the possibility of buying and recommending a product or service.

> *"The influence of word of mouth on consumer purchases is still strong, be it face to face or on social media sites."*

Recommendations from personal acquaintances or opinions posted by consumers online are the most trusted forms of advertising, according to a Nielsen global online consumer survey of over 25,000 Internet consumers from 50 countries. Ninety percent of consumers surveyed noted that they trust recommendations from people they know, while 70 percent trusted consumer opinions posted online. The influence of word of mouth on consumer purchases is still strong, be it face to face or on social media sites.[33]

Finally, consumers are also beginning to leverage cashback sites to save money while shopping.

As consumers pursue their different wants, the rising costs of necessities can be a challenge to their day-to-day budget. Over the years, coupons and discounts have been the part of the promotional strategy of many companies. As technology has become interwoven with the lives of the consumer, cashback sites like Rakuten have added another element to the consumer decision-making process.

Using Rakuten and a disciplined approach to shopping can allow you to plan your purchases and receive rewards. Not every product on sites qualify for your ideal rewards; however, in

our fast-paced environment of consumer decision-making, taking a little bit of extra time to save money will serve consumers well in the long run.

Rakuten has over 70 businesses, including digital content and communications. With over 1.3 billion members worldwide and a growing presence in the Canadian marketplace, Rakuten is helping Canadians shop smarter. In Canada, Rakuten has over 750 stores in its partnership and over 5 million members.[34]

What Online Customers Buy

There is a lot marketers have to learn about online consumer purchase behaviour. Although research has documented the most frequently purchased products and services bought online, marketers also need to know why these items are popular in the digital marketplace.

Retailer Usage of the Mobile Channel

LO 7 Retailers are becoming increasingly aware of the value of smartphone-equipped customers. As they did with the emergence of the Internet, many retailers initially approached the mobile channel with a bit of trepidation. Today, retailers are looking at mobile as another important customer touch point. Cell phones, smartphones, and other handheld devices are a convenient way for customers to gather more information about a retailer's products or even conduct transactions on a mobile basis.

In-store shoppers can research products and prices on their handsets using cameras, barcode scanners, QR codes, and other mobile applications. QR (quick response) codes are two-dimensional images that look like blobs of black on a white background. They are similar to standard barcodes but have much more functionality. QR codes are encoded with information ranging from text to photos to website addresses and are scanned by smartphones. They can be used to send consumers who scan the codes to places online and are very effective marketing tools.[35]

Retailers can provide immediate incentives by knowing the specific in-store location of the shopper via GPS technology. The customer can make the purchase in-store or over a mobile cell phone or smartphone. The key is to provide methods to retain customer interest and loyalty via a consistent shopping and branding experience across channels. Smartphones are being used to engage consumers and help them make better shopping choices.

The following scenarios demonstrate how mobile can be used:[36]

- Riding the chairlift of a major Western ski resort, a customer of a ski apparel retailer pulls out a smartphone and clicks on the retailer's specialty application. The mobile software uses GPS technology to determine the skier's location, and the customer sees feedback on this specific mountain's terrain and recommendations on how to approach its trails.
- Walking through the pet food section of a major discount chain, a customer receives a text message with a digital coupon good for 20 percent off Iams dog food. The store has detected the shopper's presence in the pet food aisle, and knows that this particular shopper generally purchases the competitor's product, Purina. For the retailer's suppliers,

this provides a chance to encourage a brand switch. For the retailer, it enhances loyalty from a customer who has opted in to participate in the mobile program.

- Two teenage girls rifle through the racks of tops in a major department store chain's juniors section. Stopping on one she likes, one girl takes out her phone and scans a QR code on the shelf next to the shirt. On the screen of her phone, she sees product reviews from other shoppers, and also gets a special offer on a pair of shoes to complete the outfit.



- As he jockeys to make his flight at Calgary International Airport, a Montreal-bound traveller realizes he's forgotten to pack his laptop's power cord. He turns to his cell phone and brings up Best Buy's wireless website. He orders a replacement cord, finds the store location closest to his hotel, and picks it up on his way to check in.



Smartphones are being integrated into the shopping experience.

Monika Wisniewska/Shutterstock

The above are examples of just a handful of customer interactions taking place today in the mobile commerce (*m-commerce*) channel. In each instance, a retailer uses mobile as a way to enhance customer engagement and loyalty. And it is the pervasiveness of cell phones, smartphones, and other mobile devices that is leading a growing number of retailers to explore what additional opportunities await in the mobile space.

Here's an example of how Sephora, the beauty products retailer, uses mobile strategy. It created a specific mobile website with thousands of product reviews intended to help shoppers evaluate and compare items on their smartphones when they are in the stores. All the shopper has to do to retrieve the reviews is type in the SKU number or the name of the product in their smartphone.

“ Sephora, the beauty products retailer, uses mobile strategy.”

The increasing number of shoppers arriving at stores with smartphones can also pose a threat for retailers. The threat comes from in-store shoppers using their phones to check prices at other retailers. Retailers that ignore the growing number of mobile Internet users will see their customers defect to competitors. A retailer's best defence for maintaining customer loyalty is to develop a mobile website, with information on the site that differentiates itself from competitors. This can take the form of such intangibles as product reviews, warranty information, customer service, product knowledge, and return policy.

Retailers should take note that their websites might have to be adapted for smartphones. Regular websites are not configured for mobile, which may lead to frustration as a shopper, for example, tries to read words that are too tiny to read on a phone. By providing mobile access to their extensive online product information, retailers can help customers feel more comfortable about making a purchase at that store as opposed to fleeing to another store solely for the low price.[37]

Wholesaling

LO 8 Many retailers rely on intermediaries to provide them with selection and availability of the products sold in their retail operations. Many other businesses also use intermediaries to provide them with selection and availability, plus value-added services for products that they need to operate their businesses. Those intermediaries are commonly called wholesalers and agents (described briefly in Chapter 10), according to the functions that they fulfill in the distribution process. In addition, there are manufacturers' sales offices operated by the original manufacturers of the products. All of these wholesaling intermediaries play an important role in the retailing process and in helping other businesses get the products they need.



Truck jobbers are small wholesalers that have a small warehouse from which they stock their trucks for distribution to retailers.

Digital Vision/Getty Images

MARKETING TIP

"Using both traditional retailing, and non-store retailing strategies help us get more products in the hands of our customers."

- Greg Seelman, vice president of operations, YARDLOCK Corporation.

Merchant Wholesalers

Merchant wholesalers are independently owned firms that take title to—that is, they buy—the merchandise they handle. They go by various names, described in detail below. About 83 percent of the firms engaged in wholesaling activities are merchant wholesalers.

Merchant wholesalers are classified as either full-service or limited-service wholesalers, depending on the number of functions performed. Two major types of full-service wholesalers exist. General merchandise (or full-line) wholesalers carry a broad assortment of merchandise and perform all channel functions. This type of wholesaler is most prevalent in the hardware, drug, and clothing industries. However, these wholesalers do not maintain much depth of assortment within specific product lines. Specialty merchandise (or limited-line) wholesalers offer a relatively narrow range of products but have an extensive assortment within the product lines carried. They perform all channel functions and are found in the health foods, automotive parts, and seafood industries.

Four major types of limited-service wholesalers exist. Rack jobbers furnish the racks or shelves that display merchandise in retail stores and perform all channel functions. They sell on consignment to retailers, which means they retain the title to the products displayed and bill retailers only for the merchandise sold. Familiar products such as hosiery, toys, housewares, and health and beauty aids are sold by rack jobbers.

Cash and carry wholesalers take title to merchandise but sell only to buyers who call on them, pay cash for merchandise, and furnish their own transportation for merchandise. They carry a limited product assortment and do not make deliveries, extend credit, or supply market information. This wholesaler commonly deals in electric supplies, office supplies, hardware products, and groceries.

Drop shippers, or desk jobbers, are wholesalers that own the merchandise they sell but do not physically handle, stock, or deliver it. They simply solicit orders from retailers and other wholesalers and have the merchandise shipped directly from a producer to a buyer. Drop shippers are used for bulky products such as coal, lumber, and chemicals, which are sold in large quantities.

Truck jobbers are small wholesalers that have a small warehouse from which they stock their trucks for distribution to retailers. They usually handle limited assortments of fast-moving or

perishable items that are sold for cash directly from trucks in their original packages. Truck jobbers handle products such as bakery items, dairy products, and meat.

Agents and Brokers

Unlike merchant wholesalers, agents and brokers do not take title to merchandise and typically provide fewer channel functions. They make their profit from commissions or fees paid for their services, whereas merchant wholesalers make their profit from the sale of the merchandise they have bought and resold.

Manufacturers' agents and selling agents are the two major types of agents used by producers. **Manufacturers' agents**, or manufacturers' representatives, work for several producers and carry non-competitive, complementary merchandise in an exclusive territory. Manufacturers' agents act as a producer's sales arm in a territory and are principally responsible for the transactional channel functions, primarily selling. They are used extensively in the automotive supply, footwear, and fabricated steel industries.

By comparison, **selling agents** represent a single producer and are responsible for the entire marketing function of that producer. They design promotional plans, set prices, determine distribution policies, and make recommendations on product strategy. Selling agents are used by small producers in the textile, apparel, food, and home furnishing industries.

Brokers are independent firms or individuals whose main function is to bring buyers and sellers together to make sales. Brokers, unlike agents, usually have no continuous relationship with the buyer or seller but negotiate a contract between two parties and then move on to another task. Brokers are used extensively in the real estate industry.

A unique broker that acts in many ways like a manufacturer's agent is a food broker, representing buyers and sellers in the grocery industry. Food brokers differ from conventional brokers because they act on behalf of producers on a permanent basis and receive a commission for their services. For example, food giant Nabisco uses food brokers to sell its candies, margarine, and Planters peanuts, but it sells its line of cookies and crackers directly to retail stores.

Manufacturer's Branches and Offices

Unlike merchant wholesalers, agents, and brokers, manufacturer's branches and sales offices are wholly owned extensions of the producer that perform wholesaling activities. Producers assume wholesaling functions when there are no intermediaries to perform these activities, customers are few in number and geographically concentrated, orders are large or require significant attention, or they want to control the distribution of their products. A *manufacturer's branch office* carries a producer's inventory and performs the functions of a full-service wholesaler. A *manufacturer's sales office* does not carry inventory, typically performs only a sales function, and serves as an alternative to agents and brokers.

Critical Thinking for Marketing

1. *Describe how smartphones are being used by retailers to engage consumers and help them make better shopping choices.*
2. *Why are there different types of intermediaries?*

Summary...just the facts

LO 1 • Retailing provides customer value in the form of various utilities: time, place, form, information, and possession.

- Economically, retailing is important in terms of the people employed and money exchanged in retail sales.

LO 2 • Retailing outlets can be classified by forms of ownership, such as independent retailer, corporate chain, and contractual system.

LO 3 • The first task in developing a retail strategy is to define the target market and positioning of the retail store.

LO 4 • The retailing mix consists of goods and services, retail pricing, physical location, and communications.

- In retailing, the product P (of the 4 Ps of the marketing mix) includes level of service, merchandise mix, and store atmosphere.
- Stores vary in the level of service they provide. Three levels are self-service, limited service, or full service.
- Retail outlets vary in terms of the breadth and depth of their merchandise lines. Breadth refers to the number of different items carried, and depth refers to the assortment of each item offered.
- In retail pricing, retailers must decide on the markup. Off-price retailers offer brand-name merchandise at lower than regular prices.
- Retail store location is an important retail mix decision. The common alternatives are the central business district, regional shopping centre, community shopping centre, or strip location. A variation of the strip location is the power centre, which is a strip location with multiple national anchor stores.

LO 5 • Non-store retailing includes automatic vending, television home shopping, online retailing, and direct marketing (direct mail and catalogue retailing, telemarketing, and direct selling).

LO 6 • Online retailing allows consumers to search for, evaluate, and purchase products and services online. The increasing sales and number of people purchasing online suggest that the profile of the online consumer is becoming more and more like the profile of the consumer of the traditional marketplace.

- Consumers refer to six reasons they shop and buy online: convenience, choice, communication, customization, cost, and control.

LO 7 • Retailers are becoming increasingly aware of the value of smartphone-equipped customers:

  - Retailers are looking at mobile as another important customer touch point.
  - Cell phones, smartphones, and other handheld devices are a convenient way for customers to gather more information about a retailer's products or even conduct transactions on a mobile basis.
  - Many retailers depend on the numerous types of intermediaries that engage in wholesaling activities.

LO 8 • The main difference between the various types of wholesalers lies in whether they take title to the items they sell.

Key Terms and Concepts...a refresher

breadth of product line

brokers

central business district

community shopping centre

depth of product line

form of ownership

intertype competition

level of service

manufacturers' agents

merchandise mix

merchant wholesalers

multichannel retailers

off-price retailing

power centre

regional shopping centres

retailing

retailing mix

scrambled merchandising

selling agents

shrinkage

strip location

telemarketing

Hands-on... APPLY YOUR KNOWLEDGE

Online Retailing Assignment A number of retailers will supply YARDLOCK products. Online retailing is a key component to the company's strategy. Interview an employee of a retailer in your local community to determine the benefits and challenges of providing an online retailing offering to the organization’s clientele.

Chapter Vignette… ACTIVITY

In the opening vignette of this chapter, the vice president of operations at YARDLOCK discusses how different retailers need to distribute its products. In groups, research different potential retailers in Canada and identify the top three you would want YARDLOCK to distribute through.

Marketing YOU

Retail is an important part of the Canadian economy and it includes getting goods and services to the consumer. There are many different roles in the retail sector from frontline retail roles to back-end IT roles that support online purchasing. It is challenging to understand different careers and what skills are required. One way to find out more about careers is to connect to industry representatives to conduct an "informational interview." An informational interview is speaking to someone that is already working in a career that you are interested in exploring.

Where do you start? Who could you connect with? Begin by asking yourself if you already know a family member working in one of the occupations you are exploring that you could speak with. You can also ask your instructors, guest speakers, and professionals already working in the field if they would be open to an informational interview. Ask your friends if they know of anyone working in your career of interest. If they do, ask them to introduce you to them via email or even by text. Follow up and arrange a 20-minute meeting to conduct an informational interview, either virtually or in person.

Setting an intention to connect to industry professionals before you graduate allows you to build your network and begin your job search while still in school. Remember your industry connections are plugged into the job market, and they may share with you new job opportunities as they come up.

Activity:

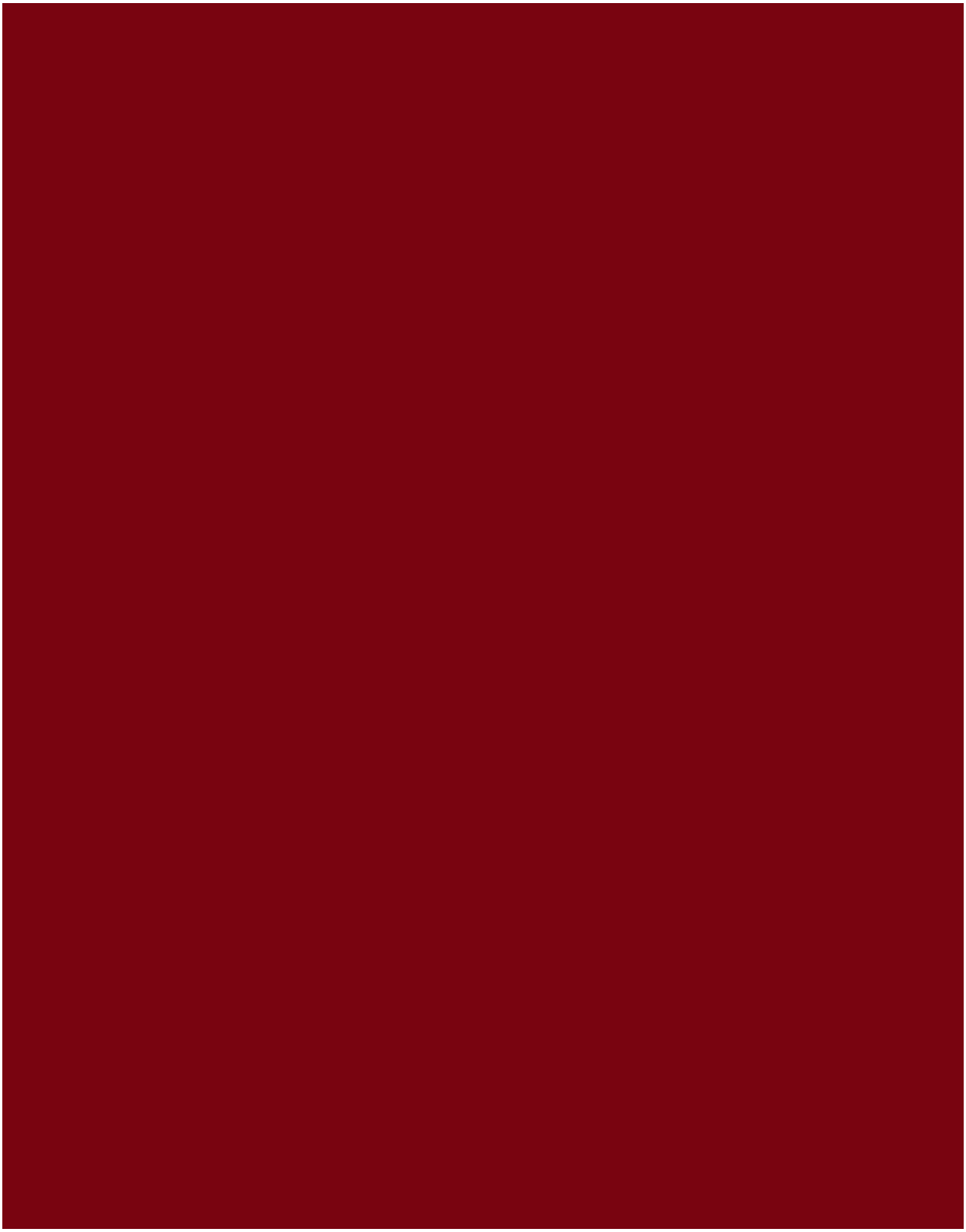
List the careers you are interested in and pull together a list of the names of people you know that are working in these careers. Set a goal to contact them to arrange an interview in the next few weeks.

Career	Name	Contact Info

Here are some sample questions to ask at an informational interview:

- How did you become interested in this career?
- What do you most enjoy about your work?
- What do you least enjoy about your work?
- What advice would you give to someone interested in pursuing this as a career?
- Are there any industry associations that you would recommend that I might join?
- What are the typical educational requirements for someone entering into this career?
- Would you choose this career again if you knew what you know now?

PART 4
FOCUSING ON NEW AND EVOLVING AREAS



Chapter 12
Integrated Marketing Communications—The Mix, Trends, ar Industry



Kraft Heinz Canada

LEARNING OBJECTIVES

LO 1 Describe the integrated marketing communication process
LO 2 Describe the process of promotional program planning and evaluation
LO 3 Explain the current trends affecting marketing communications
LO 4 Outline the composition of the marketing communications industry

CHAPTER OUTLINE

- Kraft Heinz mediates the war between bun and wiener packaging
- Integrated marketing communication
- Trends in marketing communication
- The marketing communications industry

CHAPTER FEATURES

Advertising Standards in Social Media

Facebook is refusing to fact-check political ads. Is this freedom of speech or campaign tampering?

The marketing communications tools available to marketers have evolved significantly over the last decade. This chapter looks at integrated marketing communications; its tools that are used to communicate with target audiences, recent trends, and the industry. Chapter 13 focuses on the unique tools that work cohesively to meet communication objectives. These include advertising, social media, event

marketing, and many more. These communication tools build brand and community, and must work in an integrated fashion to ensure maximum impact of marketing communication.

In 2022, Kraft Heinz set out to solve one of the their industry's most trying concerns—why are hot dogs sold in packs of ten while buns are sold in packs of eight? This unbalanced packaging was simply unfair to consumers.

This simple question was the basis of an award-winning integrated marketing communications campaign that saw the company go viral on social media, be seen on billboards and newspapers in major cities, and was featured in a comedic spot on late night television's *The Late Show with Stephen Colbert*.

In 2022, the Heinz Hot Dog Pact emerged in an attempt to stay relevant to consumers under increasing competition. The goal was simple: help Heinz stay on the mind of consumers as they shop for their summer BBQ food items. By focusing on aligning the packaging of buns and hotdogs, Heinz emerged as the mediator in chief—the sauce that could bring these two sides together.[1]

The IMC strategy included the following:

- **Digital/Social Media:** A well crafted launch video was posted online explaining the issue: "Hot dogs are sold in packages of 10 while there are 8 buns to one bag." This clear misalignment was met with consumers saying: "What am I going to do with two left-over hotdogs?" and "Make it make sense, make it make sense to me!" This launch video asked hot dog and bun manufacturers to align their packaging to 10 units per pack. And in an attempt to get consumers involved, a petition was created for interested people to sign. Fifteen thousand signatures were received in the first 24 hours after the posting. This pressing issue quickly became viral when Social Media influencers quickly got on board, posting content asking for the pact to come to fruition.[2]
- **Out of Home Media and Advertising:** While the petition signatures were racking up, Kraft Heinz also continued educating and reminding consumers of the issue by integrating advertising into the campaign. Billboards were seen in major cities. In Toronto, the famed Dundas Square was covered in advertising asking consumers to sign the pact. Newspapers released full page advertisements asking readers: "Why Aren't Buns and Weiners Sold in Even Packs?"[3]

These different communication media were integratively designed to create consumer interest in the issue and help generate interest in Heinz condiments. The results were outstanding with $13 million attained in earned media and $1.2 billion in earned impressions. Heinz sales rose 2.3 percent compared to 2019 and Heinz ketchup share increased by 1 percent.[4]

Outside of the business results, the pact worked! A real change came to hot dog and bun packaging—each settling on Heinz's suggested 10-pack format. Wonder Bread and Oscar Mayer Wieners listened to concerned consumers and signed the Heinz Pact.



The pact was signed!

Kraft Heniz Canada

This successful pact demonstrates the need to successfully integrate IMC campaigns. Consumers would not have known about the issue without the launch video. The petition would not have been signed without the reminders from the billboard and newspaper ads. The earned media, or free media, would not have been attained without the other elements coming together. Successful IMC campaigns must act as a symphony—each individual musician strategically plays their own role in creating the best music. However, the beautiful musical only comes to fruition when the individuals work as a collective.

***reality* CHECK**

As you read Chapter 12, refer back to this Kraft Heinz vignette to answer the following questions:

- How do the different IMC pieces of the Heinz Hot Dog Pact campaign work together to achieve success?
- Why do you think that Kraft Heinz chose digital and out of home tactics for its IMC campaign?
- What aspects of the campaign could not have existed 20 years ago? How have emerging industry trends changed the way integrated marketing communications is practised?

Marketing Communications—Promotion

The next two chapters provide readers with a realistic view of marketing communications, bringing to the forefront the approaches that are used by marketers to reach consumers. Chapter 12 focuses on Integrated Marketing Communications, recent trends, and the industry. Chapter 13 explores the individual elements elements of the promotional mix including advertising, digital, and social media. Of utmost importance is the fact that all marketing communications must work together, in an integrated fashion, to reach consumers in their worlds, relying on metrics and analytics to measure and evaluate success and to make improvements.

Today, consumers are bombarded with marketing messages. With the use of tags, bookmarks, opt-ins, and selective feeds, consumers can determine whether they receive marketing communication messages, and if so, when, where, and on what device. The lines are blurred between reality, entertainment, self-expression, and marketing communications.

> *"The lines are blurred between reality, entertainment, self-expression, and marketing communications."*

Developing the Promotional Mix

A successful marketing campaign demonstrates the opportunity for engaging potential customers and the importance of integrating the various elements of a marketing communication program. Promotion represents the fourth element in the marketing mix.

Integrated Marketing Communications

LO 1 In putting together the promotional mix, a marketer must consider two issues. First, the balance of the elements must be determined. Should advertising be emphasized more than personal selling? Should a promotional rebate be offered? Would public relations activities be effective? Several factors affect such decisions: the target audience for the promotion, the stage of the product's life cycle, the characteristics of the product, the

decision stage of the buyer, and even the channel of distribution. Second, because the various promotional elements are often the responsibility of different departments, coordinating a consistent promotional effort is necessary. A promotional planning process designed to ensure integrated marketing communications (IMC) can facilitate this goal.

The Target Audience

Promotional programs are directed to the ultimate consumer, to an intermediary (retailer, wholesaler, or industrial distributor), or to both. Promotional programs directed to buyers of consumer products often use mass media because the number of potential buyers is large. Personal selling is used at the place of purchase, generally the retail store. Direct marketing may be used to encourage first-time or repeat purchases. Combinations of many media alternatives are a necessity for some target audiences today.

The concept of designing a marketing communications program that coordinates all promotional activities to provide a consistent message to a target audience is referred to as **integrated marketing communications (IMC)**.

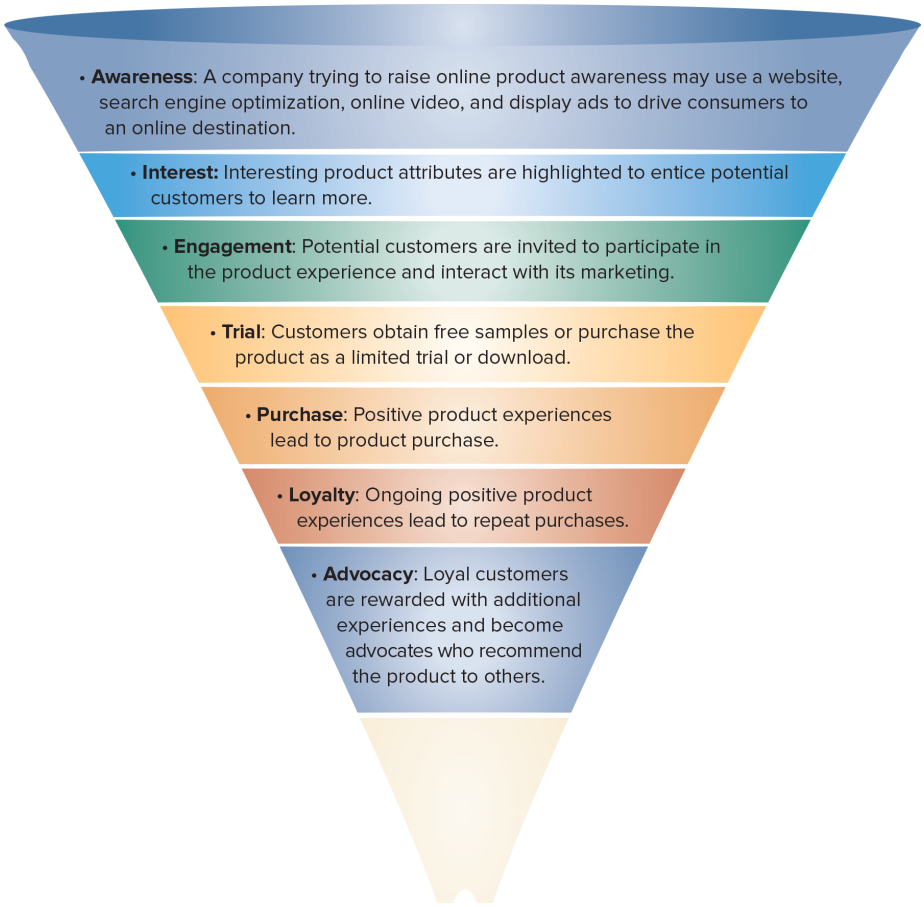
The key to developing successful IMC programs is to use a process that makes it easy to design and evaluate. In an IMC program, each element has a distinct role as well as a purpose in the overall campaign. For example, TV ads and Internet **display advertising** might be used to build awareness and to drive consumers to a website, print advertising may be used to provide details on technical specifications, social media interactions may be used to encourage engagement, sales promotional offers may be needed to encourage product trial, email marketing approaches may be required to create a database of the target market, and personal selling might be needed to complete a transaction. Each tool is used for a different reason and needs to be evaluated against that purpose and its contribution to the overall success of the marketing communications program.

The Customer Advocacy Funnel

Marketers use integrated marketing communications approaches to ensure that all communication elements speak with the same messaging and use a shared visual platform. This approach involves developing, executing, and evaluating each element of a promotional program so that it encourages customers to become loyal supporters that spread positive messages. We call this *advocacy*.

The **Customer Advocacy Funnel** (**Figure 12–1**) demonstrates how, over time, the positive connections that customers make with brands encourage them to become brand advocates who recommend the brand to others. This funnel has consumers moving from an initial awareness stage through to interest, engagement, trial, purchase, loyalty, and advocacy.

Figure 12–1 The Customer Advocacy Funnel



Let's try to understand how marketers can use specific tools in an integrated fashion to drive customers through the funnel:

- **Awareness:** A company trying to raise brand awareness may use a website, search engine, traditional advertising, and online advertising to maximize consumer exposure to the product.

- **Interest:** A company may use online video to increase interest in the product, this time using experts to demo the product and add credibility.
- **Engagement:** Social media can be added to the mix to encourage engagement by consumers.
- **Trial:** Contests, samples, and limited trials can be communicated through direct mail, product microsites, and social media networks.
- **Purchase:** Follow-up on product trial can be done through email to reinforce a positive product experience, which can lead to product purchase.
- **Loyalty:** Customer loyalty can be encouraged through programs that reward continued purchases, such as loyalty programs. Social media can help encourage interaction with the brand.
- **Advocacy:** Ongoing communications, often one-to-one, through email newsletters, social networks, branded communities, and blogs can solidify connections with loyal customers, providing them with information and experiences to share with others.

Designing Marketing Communication Programs

LO 2 Marketing communications can be a fun yet daunting task for marketers. Its subjective nature can make it unnerving. However, the creativity required to pull it together, and the ability of metrics to measure success, can make it very rewarding.

Marketers turn to marketing communication experts to navigate this terrain. Communication agencies provide expertise on communication approaches with access to insights on new opportunities, consumer trends, and media research. They help guide strategy development, creative development, and media planning and buying, as well as program evaluation. Marketers shape the backdrop by providing company, product, and target market information, as well as insights into product positioning, previous campaigns, the competition, and budgetary constraints. They explain the balance between consumer and trade promotion, as well as how push and pull strategies are used. They are also involved in program creation and evaluation.

A **push strategy** is when marketers focus communication efforts on the distribution channel to gain support from retailers, distributors, and wholesalers through listings, sales, merchandising, featured pricing, and the inclusion in flyers. For example, a consumer packaged food company may use personal selling with a retailer to get a product on a shelf.

Once on the shelf, the customer will have the opportunity to purchase it while in store. If the product had not been "pushed" onto the shelf, the customer would not known of the product or had access to it.

A **pull strategy** is when marketers focus communication efforts on ultimate consumers to build awareness, trial, and demand for a product. In this situation, a consumer packaged goods company will target the end user to drive demand. This end user would enter the store and ask for the product. When the product is not there, they would ultimately leave with their demand unmet. This demand would be seen by the retailer and ultimately force them to put the product on their shelf to satisfy their customers. These approaches should work together (see **Figure 12–2**).

Figure 12–2 Push and pull communication strategies

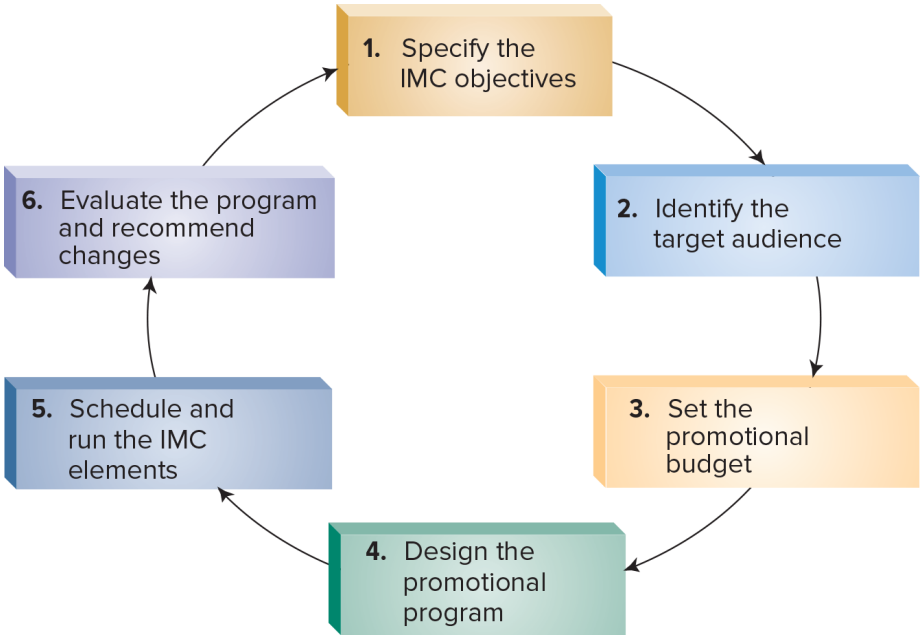
Push and pull strategies need to work together.



Steps in the Marketing Communications Process

Today, with the multitude of communication tools available, and consumers fragmented over a wide array of touch points, marketers follow an integrated approach to marketing communications, making sure all elements work together to reach specific target audiences. The steps in this process, outlined in **Figure 12–3**, require a marketer to (1) specify the IMC objectives, (2) identify the target audience, (3) set the promotional budget, (4) design the promotional program, (5) schedule and run the IMC elements, and (6) evaluate the program and recommend changes. These steps are explained below.

Figure 12–3 Steps in the marketing communications process



Step 1: Specify the IMC Objectives

The first step formalizes the purpose of the promotional program, such as building brand awareness, creating customer engagement, or increasing brand loyalty. Specific numerical targets are often included at this point and used later to evaluate the program. The Customer Advocacy Funnel noted earlier may help determine these objectives. Often a promotional plan includes objectives such as reach and frequency. **Reach** is the number of people who are exposed to a communication vehicle or message; it is presented as

percentage of the total number of people in a target audience. **Frequency** is the number of times the target audience is exposed to the communication vehicle or the communication message.[5]

Step 2: Identify the Target Audience

The second step in developing the promotion program involves identifying the target audience, the group of prospective buyers toward which a promotion program will be directed, using geographic, demographic, psychographic, and behavioural data. Information on media used by the target audience is also provided, as well as insights on consumer touch points. **Touch points** are any situation in which a customer comes into contact with a brand or company.

Step 3: Set the Promotional Budget

Determining the budget is no easy task, particularly since the program has yet to be recommended. However, several methods can be used to set the promotion budget:[6]

- **Percentage of sales:** The amount of money spent on promotion is a percentage of past or anticipated sales.
- **Competitive parity:** Matches the competitor's absolute levels of spending or a proportion of their spend based on market shares.
- **All you can afford:** Allows money to be spent on promotion only after all other budget items—such as manufacturing costs—are covered.
- **Objective and task:** The company determines the promotion objectives, outlines the tasks to accomplish those objectives, and determines the promotion cost of performing those tasks.

Step 4: Design the Promotional Program

The key component of a promotional program is its messaging. It needs to be visible, resonate with its target audience, and be memorable. One of the major challenges of IMC is to design each promotional activity to communicate the same message.

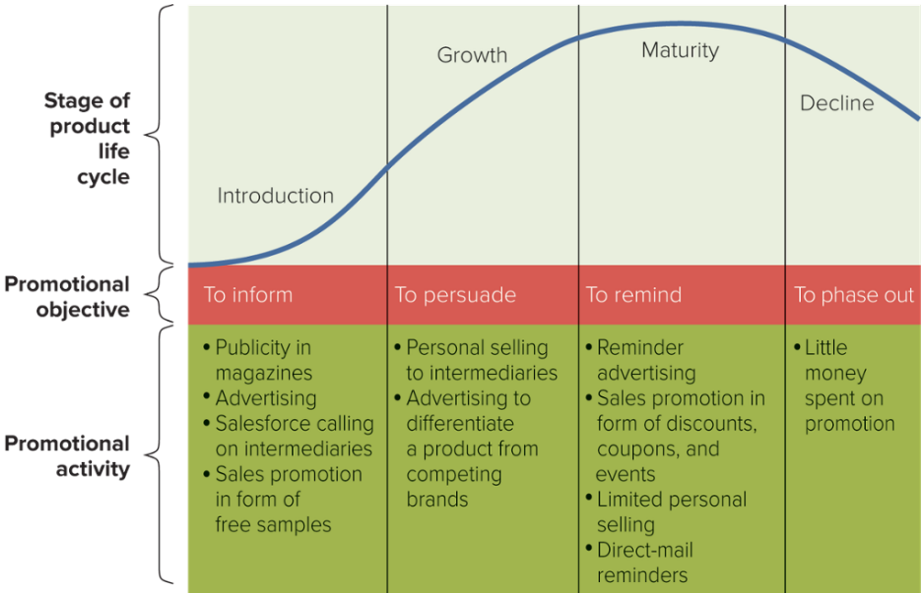
It can encompass online and offline approaches and include advertising, public relations, sales promotion, direct response marketing, event marketing and sponsorship, product

placement and branded entertainment, personal selling, online marketing, social media marketing, and mobile marketing.

The Product Life Cycle

All products have a product life cycle (see Chapter 8), and the composition of the promotional mix changes over the four life-cycle stages, as shown in Figure 12–4.

Figure 12–4 Product life cycle considerations for promotional programs



- **Introduction stage:** Providing information to consumers in an effort to increase their level of awareness is the primary promotional objective in the introduction stage of the product life cycle. In general, all the promotional mix elements are used at this time.
- **Growth stage:** The primary promotional objective in the growth stage is to persuade the consumer to buy the product. Advertising is used to communicate brand differences, and personal selling is used to solidify the channel of distribution.
- **Maturity stage:** In the maturity stage, the need is to maintain existing buyers. Advertising's role is to remind buyers of the product's existence. Sales promotion, in the form of discounts, coupons, and events, is important in maintaining loyal buyers.

- **Decline stage:** The decline stage in the product life cycle is usually a period of phaseout for the product, and little money is spent on the promotional mix.

Step 5: Schedule and Run the IMC Elements

The promotion schedule describes the order in which each promotional tool is introduced and the frequency of its use during a specified time frame. The order of promotional elements is carefully planned so that individual aspects seamlessly work together to communicate with target audiences. Throughout the campaign, marketers carefully monitor developments, particularly in social media, to immediately answer questions, respond to comments, and carefully deal with negative feedback.

Step 6: Evaluate the Program and Recommend Changes

Promotional programs are evaluated on four levels. First, messaging is often assessed before a program is fully developed to gauge responses so that adjustments can be made before launch.

Second, once the program is live, research may be fielded to measure campaign awareness and messaging elements such as *likability*, *message comprehension*, and *attitude changes* toward the brand.

Third, upon completion, each individual element will be evaluated against expectations. Online programs may look at page views and time on site. Public relations efforts may be measured on publicity mentions and return on investment (ROI).

Fourth, the promotional program will be evaluated against its objectives. This will look at business results such as sales, profitability, market share, and expected ROI.

All of these metrics will be used to determine campaign success and what elements can be strengthened in the future.

Critical Thinking for Marketing

1. *What are the stages in the Customer Advocacy Funnel?*
2. *What approaches are used to set the promotional budget?*
3. *How are marketing communications programs evaluated?*

Trends in Marketing Communications

A Changing Landscape

LO 3 We start by looking at the current trends impacting marketing communications.

Connected Consumers

Affordable Internet technology and some of the fastest download times provide consumers in Canada with easy-to-use services and devices that facilitate marketing communications. Free online services such as email, search engines, and social media have made media more accessible so that two-way communication now exists between marketers and consumers, and between consumers and their friends. Many individuals multi-task with the media, spending time on the Internet while watching TV, and using tablets and smartphones interchangeably, depending on the circumstance. In fact, a recent Statistics Canada study suggested that almost 47 percent of Canadians use their smartphones while watching television.[7]

The use of mobile devices in Canada (smartphones, tablets, ereaders, and handheld gaming devices) continues to grow. In 2022, it was estimated that there were 35.7 million mobile subscribers in Canada.[8] Smartphone penetration in Canada reached over 99 percent in 2022, with one-third of households relying exclusively on wireless services. Smartphones are used for everything on the go, with usage including taking photos, messaging, social networking, listening to music, conducting searches, using apps, playing games, and shopping.[9]
Chapter 13 reviews mobile marketing in more detail.

Research studies tell us that consumers in Canada are among the most connected in the world. Canadians spend an average of one hour and five minutes on social media each day and over six hours every day using the internet.[10] **Social networks** are online websites that allow members to create a network of friends and contacts to share messages, comments, videos, and images as a form of self-expression.

Based on share of visits, the most popular social networking sites in Canada are Facebook, Pinterest, X (formerly known as Twitter), and Instagram. **Chapter 13** provides an in-depth look at social media in Canada.[11]

Media Usage

The amount of time consumers spend with the media has changed significantly over the last few years, prompting marketers to take note and adapt marketing communications approaches. In 2022, adults in Canada spent 9 hours and 57 minutes per day using some form of media. Figure 12–5 illustrates that time spent on digital forms of media, including mobile and computer, is expected to continue increasing, whereas time spent on all other forms of media is decreasing.[12]

Figure 12–5 Average time spent on traditional versus digital media in Canada

Traditional* vs. Digital Media: Average Time Spent in Canada, 2019–2023 (hrs:mins per day among population)		
	Digital	**Traditional***
2019	4:58	4:57
2020	5:26	5:02
2021	5:26	4:48
2022	5:29	4:39
2023	5:32	4:34
Note: Ages 18+; time spent with each medium includes all time spent with that medium, regardless of device or multi-tasking; for example, 1 hour of multi-tasking on Facebook while using Snapchat is counted as 1 hour for Snapchat and 1 hour for Facebook. * Includes time spent on TV, newspapers, magazines, and radio.		

Source: www.insiderintelligence.com/content/canada-time-spent-with-media-2022.

"The most popular social networking sites in Canada are Facebook, Pinterest, X, and Instagram."

Advertising Expenditures

Marketers are shifting advertising dollars online to respond to changing media habits. Digital is now the largest recipient of advertising dollars in Canada, ahead of TV and newspaper. The latest data on advertising expenditures show that the overall advertising spend in Canada in 2022 was $17.2 billion, with $11.37 billion of that going to digital. (see Figure 12–6).[13]

Figure 12–6 Trends—advertising expenditures in Canada ($billions)

Total Media Ad Spending in Canada, Traditional* vs. Digital**, 2020–2024 (forecasted data)			
	Traditional*	**Digital****	**Total**

Total Media Ad Spending in Canada, Traditional* vs. Digital**, 2020–2024 (forecasted data)			
	Traditional*	**Digital****	**Total**
2020	$5.34	$9.11	$14.45
2021	$5.74	$10.33	$16.07
2022	$5.83	$11.37	$17.20
2023	$5.95	$12.31	$18.26
2024	$5.99	$13.14	$19.13

* Includes directories, magazines, newspapers, out-of-home, radio, and TV.

** Includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets, and other Internet-connected devices in all formats.

Source: www.insiderintelligence.com/content/canada-digital-ad-spending-2021.

Evolving Media

The digital reality sees consumers spending more time online. Even the television industry is changing. Content is being produced strictly for streaming, and many television networks have made their content available online. Traditional media such as television, magazines, newspapers, and radio are creating their own online assets to remain competitive and relevant.

News organizations, such as the CBC, use YouTube channels and apps to deliver content, despite having websites and TV channels of their own. Radio stations stream content online, create podcasts, and write articles for their websites, and there has been an influx in Internet and satellite radio services such as Sirius. Magazines create content specifically for online reading, and in this new media universe, we see newspapers such as the *Globe and Mail* undergo digital redesigns to compete with online news and the 24/7 news cycle.

Out-of-home advertising, such as billboards and transit advertising, are being replaced with digital boards, which provide the opportunity for video and interactive touchscreens. Digital advertising has also seen a shift from desktop- and laptop-formatted ads to mobile advertising.[14]



Popular social networking sites in Canada.

©Brilliantist Studio/Shutterstock

“ Marketers are shifting advertising dollars online to respond to changing media habits. The Internet is now the largest recipient of advertising dollars in Canada, ahead of TV and newspaper. ”

The Marketing Communications Industry

LO 4 The marketing communications industry consists of five main areas that work together to form an industry that is ethical, trustworthy, cohesive, and measurable. These areas include the following: (1) the media, (2) marketing communication agencies, (3) media research companies, (4) associations, and (5) regulatory bodies. Let's look at these areas in more detail.

The Media

The main forms of media are Internet (including mobile), TV, newspaper, magazine, radio, podcasts, and out-of-home (including billboards and transit).

Paid media is the media time that is purchased so that messages can be disseminated through channels that are controlled by others—podcast advertising is an example. **Owned media** refers to the media channels that a company controls, either fully or partially, such as a website, microsite, or social media page that is used to directly communicate with consumers. **Earned media**, a term with origins in the public relations industry, refers to the free publicity secured through unpaid media mentions and consumers who spread the word through word of mouth or the Internet.

Marketing Communication Agencies

Marketing communication agencies provide marketers with expertise on how best to communicate messages to their audiences. Agencies can be broad-spectrum and offer a variety of services to their clients, or they can be specialty agencies providing expertise in media, creative, public relations, event marketing, digital, product placement, direct marketing, or sales promotion.

Originating in Quebec City, Quebec, in 1972, Cossette is a top Canadian agency. Six partners came together, each investing $5,000 in the business. At that time, Cossette worked on local retailers but grew to the provincial and national level.[15]

A global brand, Cossette reaches revenues of over $240 million and serves clients such as McDonald's, VIA Rail, and Telus.[16]



Via Rail Advertisement produced by Cossette

Via Rail/Cossette

Media Research Companies

Metrics are central to the smooth functioning of the marketing communications industry. Data on audience measurement, readership, consumer trends, and the quality of communication messages is needed to provide transparent and reliable information to the media, agencies, and clients. Most major media sectors publish third-party data for the industry, which is used to determine advertising rates and trends. In addition, other media research companies, such as comScore and the Nielsen Company, provide data to keep the industry apprised on the latest developments.

Looking for Media Data?

Alliance for Audited Media (AAM)	**auditedmedia.com**
Numeris	**www.numeris.ca**
Canadian Out-of-Home Marketing & Measurement Bureau (COMMB)	**www.commb.ca**
comScore	**www.comscore.com**
Forrester Research	**www.forrester.com**
Interactive Advertising Bureau of Canada (IAB)	**www.iabcanada.com**
Canadian Media Directors' Council	**www.cmdc.ca**
Nielsen Company	**www.nielsen.com/ca**
ThinkTV (formerly Television Bureau of Canada)	**www.thinktv.ca**
Vividata (amalgamation of NADbank and the Print Measurement Bureau [PMB])	**www.vividata.ca**

Associations

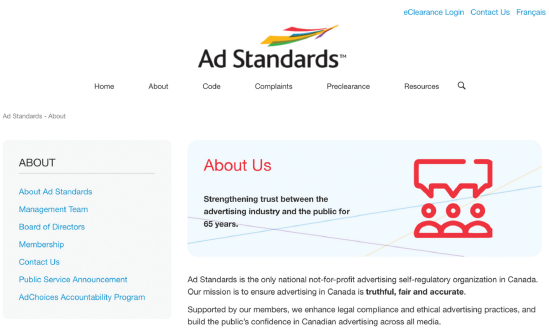
The marketing communications industry has a number of active associations that provide data and host informative events and educational workshops for the industry. Here are just a few that are active in keeping the industry:

- Canadian Marketing Association (**www.the-cma.org**)
- Institute of Communications Agencies (**theica.ca**)
- Interactive Advertising Bureau of Canada (**www.iabcanada.com**)
- Association of Canadian Advertisers (**www.acaweb.ca/en/**)

It is worth your time to investigate the resources and support available from each association.

Regulatory Bodies

Prior to embarking on a marketing communications program, marketers need to be well versed in the limitations and restrictions placed on them by regulatory bodies. Marketers are advised to become familiar with their specific industry associations and to stay up-to-date on marketing regulations, business restrictions, and best practices. **Chapter 2** provides details on these regulatory bodies and the regulations that guide marketing communications in Canada. It is advisable at this point for you to re-visit these pages to obtain details. The following is only a brief reminder.



This Ad Standards ad encourages truthful communications.

Ad Standards

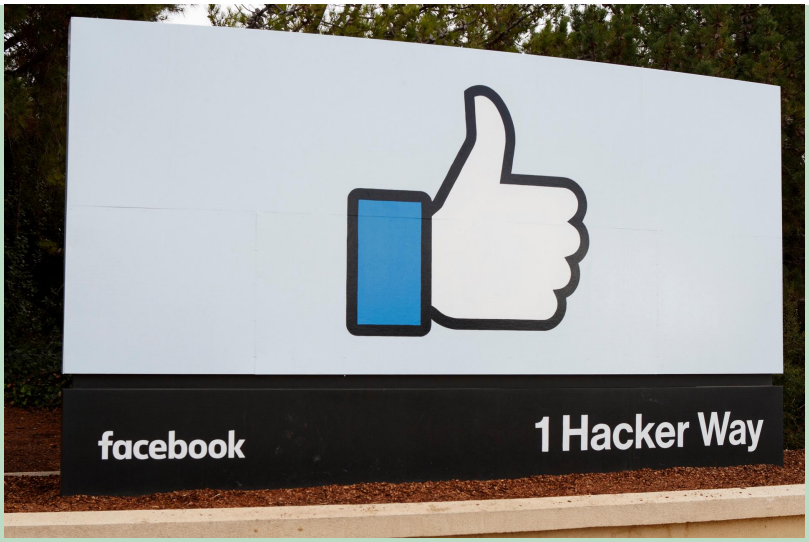
In Canada, there are six main regulatory groups that work toward limiting intentional and unintentional deceptive marketing practices: (1) Advertising Standards Canada (Ad Standards), (2) the Competition Bureau, (3) the Canadian Radio-television and Telecommunications Commission (CRTC), (4) the Canadian Marketing Association (CMA), (5) the Canadian Wireless Telecommunications Association (CWTA), and (6) the Mobile Marketing Association (MMA). Specialist areas and industry groups such as the public relations and health care industries also have regulatory bodies or associations that provide codes of ethics and guidelines on best practices to assist members.

- **Advertising Standards Canada (Ad Standards)** is the national, independent, not-for-profit advertising self-regulatory body that sets and regulates advertising standards. It uses a consumer-complaint process to review questionable ads that are withdrawn from the media if they contravene its guidelines and are not fixed. Ad Standards provides advice and pre-clearance services for advertisers but has no legal jurisdiction and does not levy fines. Detailed guidelines can be found at **www.adstandards.ca**. The magnitude of communication in social media provides a whole other challenge for marketers. This topic is discussed further in the Making Responsible Decisions box, **Advertising Standards in Social Media**.[17]

Making Responsible Decisions

Advertising Standards in Social Media

With over 2.96 billion monthly active users worldwide, does Facebook have an ethical responsibility to ensure that advertising published on its site is truthful?[a]



©Jason O. Watson (USA: California photographs)/Alamy Stock Photo

Facebook CEO Mark Zuckerburg says no as he defends his company's reluctance to take down political advertising that contains false information, likening it to censorship and saying, "What I believe is that in a democracy, it's really important that people can see for themselves what politicians are saying, so they can make their own judgments."

Many of the other online social media platforms have recognized the challenges with trying to monitor political advertising, and X, for example, responded by banning all political advertising. This was reversed in 2023 under the leadership of Elon Musk. Google put limits on some political advertising but stopped short of an outright ban. Zuckerberg cites freedom of speech as his reason for accepting ads that contain false information.[b]

In Canada and the United States, there are clear guidelines for advertising products or services such as Trident Gum or Weight Watchers. These acts were put in place to protect consumers from false or misleading claims. In Canada, the *Competition Act* contains "criminal and civil provisions to address false or misleading representations and deceptive marketing practices in promoting the supply or use of a product or any business interest." Even Facebook has clear guidelines about misinformation in product advertising on the platform, which states that advertisers who repeatedly post false information may have restrictions on their ability to advertise on Facebook.

The guidelines for political advertising have become less clear, and those guidelines seem to be more concerned with who is sponsoring the ads and less with the truthfulness of the content. This is becoming even more important as outside forces try to impact the democratic process and as social media platforms become a greater source of news. Since the guidelines for political advertising are less clear, social media platforms are left to determine their own policies. These policies are based on the principle that people should be able to hear from those who wish to lead them, and what they say should be debated in public.

Since over 40 percent of Canadians admit to getting their news from Facebook, Facebook has put into place a system of fact-checking that uses both in-house and third-party accredited fact-checkers to validate stories that are posted in newsfeeds. This action recognizes that the platform is a source of news and thus has a responsibility to ensure that false news is not reported on the site. This same fact-checking is not used when accepting political advertisements for the site, which can be particularly disconcerting due to the extensive analytics available to advertisers that enables them to target particularly vulnerable market segments with messages that are not verified to be true.[c]

This is an interesting dilemma as there are two ways of looking at the ethics of this issue. You could see Facebook as a source of news and therefore expect it to fall under the same ethical guidelines as a newspaper or other legitimate news source. You would then feel that taking money for false advertising would be unethical. On the other hand, you could take Facebook's perspective as a social media platform and publicly traded corporation where it is ethical to defend the rights of free speech, avoid censorship, and create value for its shareholders.

As social media evolves to an ever-important source of news, democratic governments will have to decide how both political and market advertising will be treated under competition laws so that companies like Facebook or X will not be left to decide what is "ethical."

Questions

1. Do you think Facebook should ban all political advertising?
2. Should social media platforms like Facebook be responsible for fact-checking to ensure information posted is accurate?

- The **Competition Bureau** is an independent law-enforcement agency with jurisdiction in many areas. In the marketing communications area, it looks at fraudulent advertising and misleading representation to sell products, including price and warranty claims. Deceptive price claims and contests that do not publish the required terms and conditions are illegal and heavily scrutinized. To see more about the Competition Bureau, visit its website at **http://competitionbureau.gc.ca**.
- The **Canadian Radio-television and Telecommunications Commission (CRTC)** is another government agency. It regulates the broadcast and telecommunications industry in Canada, including the licensing of stations. It also provides guidelines on Canadian content and sets limitations on the amount of advertising permitted during broadcasts. It oversees the advertising of alcoholic beverages and works with the Ad Standards on advertising to children. It also has jurisdiction over the national Do Not Call List (DNCL), which provides parameters for telemarketing in Canada. Find more about the CRTC at **www.crtc.gc.ca**.
- The **Canadian Marketing Association (CMA)** uses a code of ethics and standards of practice to guide the marketing industry in Canada on telemarketing, email marketing, mobile marketing, Internet marketing, promotional contests, fundraising, database marketing, and marketing to children and teenagers. It also provides guidelines on privacy issues and anti-spam practices. Visit **www.the-cma.org** for more information.
- The **Canadian Wireless Telecommunications Association (CWTA)** administers the CWTA short code guidelines, a strict set of guidelines on pricing and practices for mobile text messaging. This includes pricing guidelines, the use of keyword protocols, opt-in rules, privacy requirements, and terms and conditions. To find out more about the CWTA, go to **www.cwta.ca**.
- The **Mobile Marketing Association (MMA)** is a global association that sets standards and guidelines for mobile messaging, advertising, and promotion. It liaises with the Canadian Marketing Association to bring the best practices and ethical approaches in mobile marketing to marketers in Canada. For more information on the MMA, visit **www.mmaglobal.com/**.

Failure to abide by marketing communication regulations can have dire consequences for marketers—campaigns may be forced off air, companies and individuals may be fined, and legal action can result in jail time.

Critical Thinking for Marketing

1. *How much time do you spend weekly searching the Internet, on mobile apps, listening to the radio, watching television, streaming video, listening to podcasts, and reading magazines or newspapers? What are the benefits and cost of this behaviour to your life?*
2. *What are the most impactful trends in marketing communications?*

3. *How is marketing communications regulated in Canada?*

Summary...just the facts

LO 1 • Integrated marketing communications (IMC) approaches coordinate all elements of the promotional mix to provide a consistent message to a target audience.

LO 2 • Marketing communications utilize push and pull strategies and follow a prescribed process to satisfy organization objectives.

LO 3 • The current trends impacting marketing communications include a more connected consumer, which has resulted in a shift to digital media from more traditional forms.

LO 4 • The marketing communications industry consists of the media, marketing communications agencies, research companies, associations, and regulatory bodies.

- The marketing communications industry is regulated by Advertising Standards Canada (Ad Standards), the Competition Bureau, the Canadian Radio-television and Telecommunications Commission (CRTC), the Canadian Marketing Association (CMA), the Canadian Wireless Telecommunications Association (CWTA), and the Mobile Marketing Association (MMA).

Key Terms and Concepts...a refresher

Customer Advocacy Funnel

display advertising

earned media

frequency

integrated marketing communications (IMC)

marketing communication agencies

owned media

paid media

pull strategy

push strategy

reach

social networks

touch points

Hands-on... APPLY YOUR KNOWLEDGE

Debate Assignment Debate the following proposition: it is the responsibility of all Social Media networks to monitor and remove untruthful advertising from their sites.

Instructions:

- In pairs or in groups divide yourself up into two teams.
- Each team should take on a position, for or against the proposition. You do not personally have to agree with the stance. The goal, however, is to develop arguments for that stance.
- Each side should have an opening statement describing the basis of their argument.
- One at a time, each side should try to refute what the other side is arguing or bring in new arguments to support their own case.
- Each team should have a closing argument summarizing their stance.

Chapter Vignette… ACTIVITY

This chapter's opening vignette examines Kraft Heinz integrated marketing campaign to change the packaging of hot dogs and buns to include ten units of each. Brainstorm other elements that you would add to the campaign to create additional touch points with the target audience.

The marketing communications field has a number of active associations. These associations host events, hold workshops and provide opportunities to connect to industry professionals. Connecting to an industry association is a way to keep up to date on trends and new developments in the field. There are industry associations for every industry profession you can think of. There are international, national, provincial and city-wide associations.

Here are a few associations that are active in the industry:

- Canadian Marketing Association (**www.thecma.ca**)
- American Marketing Association–Toronto (**www.ama-toronto.com**)
- Institute of Canadian Agencies (**www.theica.ca**)
- Interactive Advertising Bureau of Canada (**www.iabcanada.com**)
- Association of Canadian Advertisers (**www.acaweb.ca/en/**)
- BC Chapter of the American Marketing Association (**www.bcama.com**)
- International Association of Business Communicators (**www.iabc.com**)

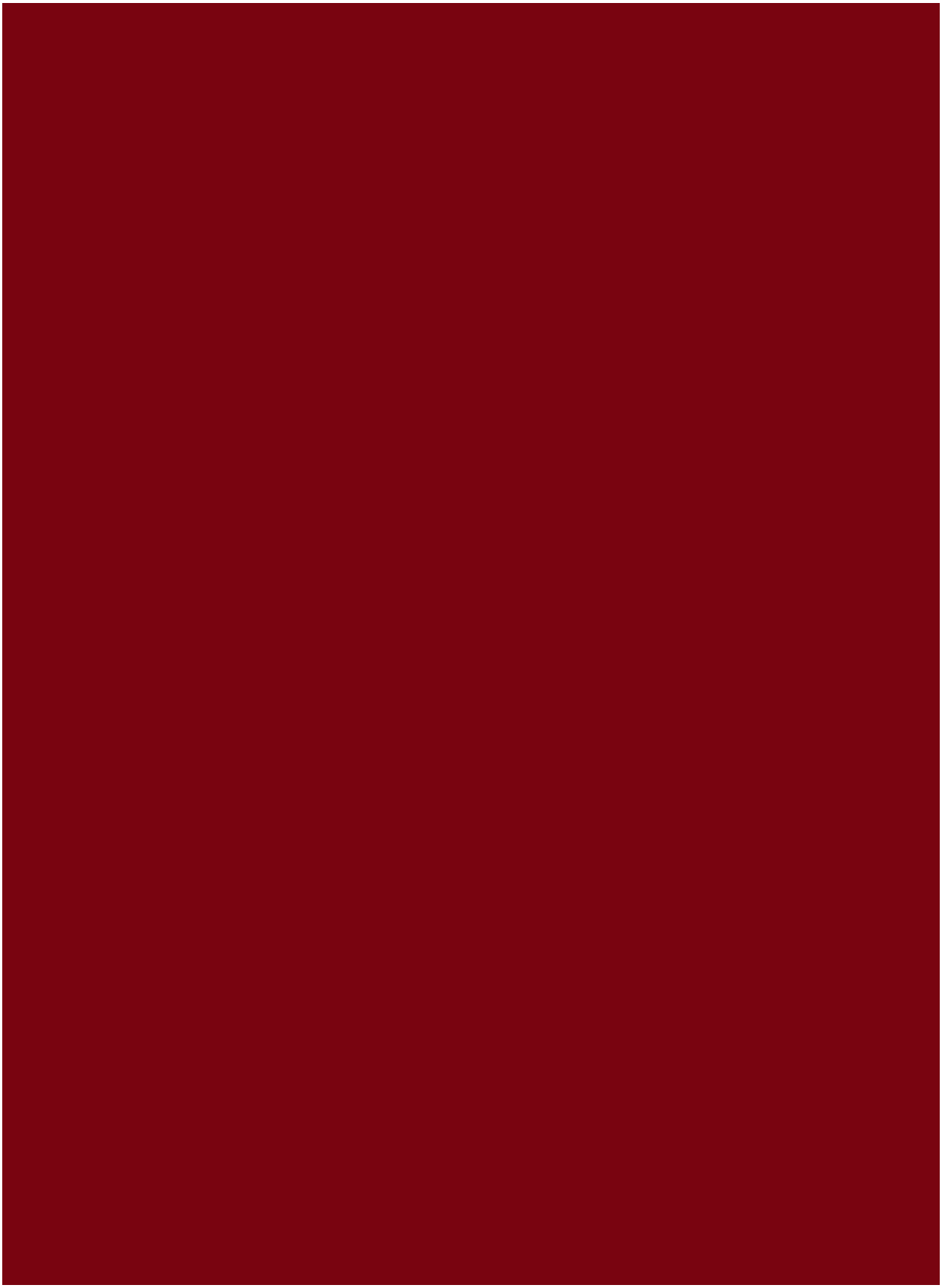
Activity:

Conduct some online research to find an industry association that you might be interested in. You can find a list of industry associations compiled by the Government of Canada at this link: **www.canada.ca/en/environment-climate-change/corporate/transparency/briefing-materials/corporate-book/national-industry-organizations.html**.

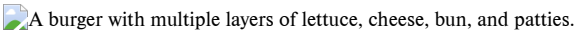
Select an industry association of interest and visit the association's website. Review the event listings and upcoming activities. Consider joining as a student member or volunteering either on a committee or on the day of a future event. If it is an option, sign up for the e-newsletter and you will receive details on events, activities and sometimes job postings, delivered right into your inbox.

Choose one or more goal:

- Attend an Event (virtual or in person)
- Join as a student member
- Volunteer on a committee
- Volunteer for the day of an event
- Sign up for the e-newsletter



Chapter 13
Integrated Marketing Communications—Promotiona Tools


A burger with multiple layers of lettuce, cheese, bun, and patties.

McDonald's Canada

LEARNING OBJECTIVES

- LO 1 Describe the promotional mix and the uniqueness of each component
- LO 2 Explore advertising design and the different types of advertising
- LO 3 Describe product placement and branded entertainment as tactics within the promotional mix
- LO 4 Outline the different consumer and trade sales promotional approaches
- LO 5 Detail personal selling and the stages of the personal selling process
- LO 6 Explain public relations and the tools used by the industry
- LO 7 Explain direct response marketing
- LO 8 Explain event marketing and sponsorship
- LO 9 Explain the unique digital approaches used in marketing communications
- LO 10 Describe social media marketing, networks, and strategies
- LO 11 Explain mobile marketing, its approaches, tools, best practices, and regulations

CHAPTER OUTLINE

- The Chicken Big Mac
- Promotional mix
- Advertising
- Product placement and branded entertainment
- Sales promotion and personal selling
- Public relations, direct response marketing, and event marketing and sponsorship
- Digital marketing communications
- Social media marketing networks and tools
- Social media marketing best practices
- The mobile marketing landscape
- Mobile marketing tools
- Mobile marketing regulations and best practices

CHAPTER FEATURES

The Evolution of Product Placement

When E.T. ate Reece's Pieces in the 1982 movie, it started the modern era of product placement

Canadian Influencers

From hairstyle aficionados to Indigenous fashion lovers—influencers are all over the Web.

Spotify Wrapped Campaign Continues to Go Viral

Spotify leverages consumption preferences to connect and share identity.

As discussed in the opening vignette for Chapter 12, Kraft Heinz leveraged many elements of the promotional mix to implement a successful IMC campaign. The company invested in a strategic promotional plan with social media, digital, print, and billboards to spread awareness of their cause to end uneven packaging between hot dogs and their buns. These are just some of the tools professionals use to meet their communication objectives.

In this chapter, we focus on all promotional tools marketers use. We look at the McDonald's Canada launch of their limited time offer (LTO) sandwich: The Chicken Big Mac (CBM). In an integrative fashion, this LTO uses social media, out of home, television spots, and many other promotional tools to launch the new sandwich. All of these tools must work together for a successful integrated marketing communications (IMC) program.

For years, Canadians have been hacking the McDonald's menu. They have curated items such as the Double Like a Mac, a McDouble with lettuce and Big Mac Sauce. Also the Baba Booey Burger, a McDouble and Junior Chicken sandwich put together.[1]

These hacks inspired McDonald's LTO: The Chicken Big Mac. Customers have been replacing Big Mac beef patties with chicken nuggets or chicken patties for years. In 2023, McDonald's Canada listened to its customers and created a sandwich customers no longer have to hack—rather, they can simply order it off the menu: the Chicken Big Mac.

The sandwich took over two years to perfect. Toronto Chef Jeff Anderson wanted to ensure the iconic Big Mac's taste was well represented in the final product while also incorporating Canadian sourced poultry and dairy. He looked at customers hacks as a source of inspiration.[2]

Before the launch of the new CBM into restaurants and into traditional media, McDonald's leveraged social media platforms to have one on one conversations with consumers who had previously hacked the Chicken Big Mac. McDonald's wanted to celebrate these people and use them as inspiration for their upcoming launch. The essence of this celebration was the theme for the overall CBM campaign: Celebrate the hackers who inspired the CBM. An online video developed by McDonald's demonstrates just this.[3]

In addition to the online video and social media conversations, McDonald's has also been using the following promotional tools:

- Television commercials
- Paid Social Media
  - Facebook
  - Instagram
  - Snapchat

    - TikTok
    - X (formerly known as Twitter)
- Organic Social Media
    - McDonald's owned websites
    - Mobile phone app
- Digital banners
- Contextual advertising
    - Bus stop advertising
    - Waze

All of these promotional tools have successfully worked together in an IMC campaign. According to McDonald's Chief Marketing Officer, Alyssa Buetikofer, early results show that sales have surpassed forecasts while spend is similar to other LTOs. A clear success for McDonald's Canada.

reality CHECK

As you read Chapter 13, refer back to the McDonald's Chicken Big Mac launch opening vignette on IMC to answer the following questions:

- Why is social media such a powerful communication tool for building community and connecting with customers?
- How does traditional media work together with digital and social media to create more effective IMC campaigns?

Promotional Mix

LO 1 In this diverse media environment, a wide range of marketing communication tools are available. **Marketing communication tools**, also referred to as the **promotional mix**, consist of advertising, public relations, sales promotion, direct response marketing, event marketing and sponsorship, product placement and branded entertainment, personal selling, online marketing, social media marketing, and mobile marketing. **Figure 13–1** summarizes the relative strengths and weaknesses of these elements.

Figure 13–1 Strengths and weaknesses of communication tools

Communication Tool	Strengths	Weaknesses
Advertising	• An efficient means of reaching large numbers of people both online and offline • Many affordable online options exist for marketers with small budgets • Online and offline options can work together to enhance messaging • Advertisers control messaging	• Higher cost of offline approaches • Difficult to evaluate offline approaches • High clutter both online and offline • Low credibility of messaging • Viewers avoid both online and offline messaging
Public relations	• Highly credible messages when spread by the media • Inexpensive, particularly when using social media	• Unable to control media messaging • Difficult to influence the number of messages spread through the media

Communication Tool	Strengths	Weaknesses
	• New measurable tools available due to social media • Can be well integrated into IMC programs	• Results can be difficult to evaluate
Sales promotion	• Effective at increasing short-term sales • Many options are available both online and offline • Social media provides an affordable way to disseminate offers • Results are measurable • Can be well-integrated into IMC programs	• Fraud can occur • Can lead to promotional wars • Promotions can be easily duplicated by competitors • Consumers may wait for a sales promotion before purchasing • Legal regulations are complex
Direct response marketing	• Messages can be targeted through online and offline approaches • Facilitates customer relationships • Results are measurable	• High cost of offline and online approaches • Negative customer reactions • Clutter • Requires a well-constructed database to be done properly
Event marketing and sponsorship	• Small branded events can be used to create a buzz and spread viral messages • Major event sponsorships can reach large audiences and create positive associations	• Large event sponsorships can be limited to awareness-building messages • Sponsorships can be costly and difficult to evaluate • Results can be difficult to measure

Communication Tool	Strengths	Weaknesses
	• Can be integrated into IMC programs • Sponsorships can be carried into the online environment • Buzz can be affordably created through microsites and social media	
Product placement and branded entertainment	• Seamless product integration into programming • Can create a positive association for the brand with a particular movie or TV show	• Can be expensive • Product placement is becoming ubiquitous
Personal selling	• Personal interactions can build lasting relationships with consumers • Online approaches can be used to enhance relationships • An important approach for expensive products • Can be used in large and small businesses • Can be a strong form of product differentiation	• Can become expensive when large salesforces are involved • Consistency in approach and messaging is difficult to achieve • People may not want to engage
Online marketing	• Allows for two-way communication • Can be relatively inexpensive	• Online message clutter • Dependence on technology

Communication Tool	Strengths	Weaknesses
Social media marketing	• Allows for two-way communication • Can be relatively inexpensive • Many platforms to select from	• Online message clutter • Dependence on technology • Potential immediate negative feedback
Mobile marketing	• Number of mobile users is increasing rapidly • Can integrate mobile marketing programs with other promotional tools quite easily	• Mobile message clutter • Dependence on technology • Formatting challenges

Advertising

LO 2 **Advertising** is a paid form of media used for non-personal communication to consumers about an organization, good, service, or idea. The *paid* aspect of this definition is important because advertising space is normally purchased, with the exception of some public service announcements, which may use donated media. The *non-personal* component of advertising is also important since advertising involves mass media (such as TV, radio, magazines, some forms of online advertising), which are non-personal and do not have an immediate feedback loop available as does direct marketing or personal selling.

> *"Marketers have a number of media options from which to choose. Selection is based on campaign objectives as well as the product, the target market, and budget constraints."*

Advertising can be very expensive. A one-time, national rate for a full-page, four-colour ad in the hard copy of *Maclean's* magazine, for example, costs $19,958.[4] Television ads are even more expensive, with average production costs running at approximately $200,000 and media prices running over $150,000 to run a 30-second spot during a top, prime-time, highly viewed TV broadcast. Media prices will vary, depending on when and where an advertiser wishes to run the spot.

Designing the Advertisement

An advertising message usually focuses on the key benefits of the product that are important to a prospective buyer in making trial and adoption decisions. The message depends on the general form or appeal used in the ad and the actual words included in the ad.

Message Content

Most advertising messages are made up of both informational and persuasive elements. These two elements are so intertwined that it is sometimes difficult to tell them apart. For example, basic information such as the product name, benefits, features, and price can be presented in a way that tries to attract attention and encourage purchase. On the other hand, even the most persuasive advertisements have to contain at least some basic information to be successful.

Information and persuasive content can be combined in the form of an appeal to provide a basic reason for the consumer to act. Although the marketer can use many different types of

appeals, common advertising appeals include fear, sex, and humour.

Fear appeals suggest to the consumer that he or she can avoid some negative experience through the purchase and use of a product or service, a change in behaviour, or a reduction in the use of a product. Examples with which you may be familiar include automobile safety ads that depict an accident or injury; political candidate endorsements that warn against the rise of other, unpopular ideologies; or social cause ads warning of the serious consequences of drug and alcohol use.

Insurance companies often try to show the negative effects on the relatives of those who die prematurely without carrying enough life or mortgage insurance. Food producers encourage the purchase of low-carb, low-fat, and high-fibre products as a means of reducing weight, lowering cholesterol levels, and preventing a heart attack. Mothers Against Drunk Driving (MADD) advertisements are an example of fear appeal.



MADD advertising using fear appeal.

MADD

When using fear appeals, the advertiser must be sure that the appeal is strong enough to get the audience's attention and concern but not so strong that it will lead them to tune out the message. Research suggests that overly threatening messages have a negative effect on the

intention to adapt behaviour. In fact, research on anti-smoking ads indicates that stressing the severity of long-term health risks may actually enhance smoking's allure among youth.[5]

In contrast, *sex appeals* suggest to the audience that the product will increase the attractiveness of the user. Sex appeals can be found in almost any product category, from automobiles to toothpaste. Consumers, however, are redefining what is acceptable use of sex appeals. There is growing interest in positive messages about female and male roles, and views on gender identity are changing.

Abercrombie & Fitch, for example, has moved away from overly "sexualized" campaigns, and brands such as Zara, Guess, and Mattel's Barbie are using gender-neutral ads. Studies indicate that sex appeals generate a greater response than other appeals, and they increase attention by helping advertising stand out in today's cluttered media environment. Unfortunately, sexual content does not always lead to changes in recall, recognition, or purchase intent.

Experts suggest that sexual content is most effective when there is a strong fit between the use of sex appeal in the ad and the image and positioning of the brand. For example, it makes sense for Calvin Klein to use sex appeal since sex is inherently a major part of the brand.[6]

Humorous appeals imply either directly or subtly that the product is more fun or exciting than competitors' offerings. As with fear and sex appeals, the use of humour is widespread in advertising and can be found in many product categories. You may have smiled at the popular No Name advertising articulating its no frills brand humour. Loblaw, owner of the No Name brand, leveraged in integrated marketing communications campaign to launch its Simple Check line of products. These products support customers who are looking for healthy food at low prices. These Simple Check products do not include ten unwelcome ingredients including MSG, synthetic colouring, and artificial sweeteners. On X, No Name has posted messages for fabric softener that ensures consumers know that package includes "80 sheets not mountains" and that the yellow mustard is "not available in other colours."[7]

You may have a favourite humorous ad character, such as the Energizer bunny, the Old Spice man, the or Travelocity's gnome. Advertisers believe that humour improves the effectiveness of their ads, although some studies suggest that humour wears out quickly, losing the interest of consumers.

Advertising Media Choices

Marketers have a number of media options from which to choose. Selection is based on campaign objectives as well as the product, the target market, and budget constraints. **Figure 13–2** summarizes the advantages and disadvantages of the major forms of advertising: Internet, TV, newspaper, magazine, radio, and out-of-home. These media choices are described in more detail in the following pages.

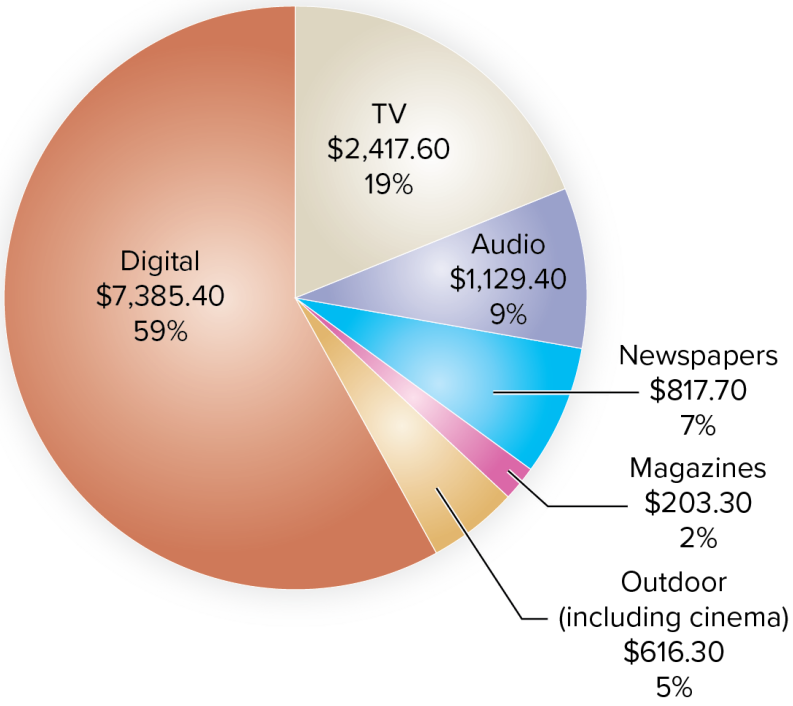
Figure 13–2 Advertising options—advantages and disadvantages

Medium	Advantages	Disadvantages
Television	Reaches extremely large audience, uses picture, print, sound, and motion for effect, and can target specific audiences.	High cost to prepare and run ads, short exposure time and perishable message, and difficult to convey complex information.
Newspapers	Excellent coverage of local markets, ads can be placed and changed quickly, ads can be saved, quick consumer response, and low cost.	Ads compete for attention with other newspaper features, short lifespan, and poor colour.
Search Engine Marketing	Measurable in real time and cost can be assessed per click. Low budget option.	Intrusion in viewers regular online consumption flow with high levels of competition.
Online Display Advertising	High targeting capability and helps develop consumer brand awareness.	Low click through rates and thus, low conversions. Ad Blocking limits consumers
Social Media Advertising	Can track advertising and target specific markets. Increases brand awareness and engagement.	Allows for negative comments from users and could be disruptive to consumers.

Medium	Advantages	Disadvantages
Email Marketing	Cost effective and saleable.	Volume can be irritating to users and regarded as Spam by email service providers.
Magazines	Can target specific audiences, high-quality colour, long life of ad, ads can be clipped and saved, and can convey complex information.	Long time needed to place ad, relatively high cost, and competes for attention with other magazine features.
Radio	Relatively low cost, can target specific local audiences, ads can be placed quickly, and can use sound, humour, and intimacy effectively.	No visual element, short exposure time and perishable message, and difficult to convey complex information.
Out-of-Home	Local market focus, high visibility, and opportunity for repeat exposures.	Message must be short and simple, low selectivity of audience, and criticized as a traffic hazard.
Mobile Advertising	Reach consumers in real-time wherever they are.	Frustrates some consumers as it interrupts their mobile phone experience. Thus, this could negatively harm brand image.
Direct Mail	High selectivity of audience, can contain complex information and personalized messages, and high-quality graphics.	High cost per contact and poor image (junk mail).

Media choice is an important decision for a marketer to make. **Figure 13–3** shows where the majority of advertising spending is currently focused.[8]

Figure 13–3 Projected advertising revenue in Canada in 2023 ($millions)



Television

Television has traditionally been a valuable medium because it communicates with sight, sound, and motion and gets attention from large target audiences. Digital technology now allows TV viewing to be flexible, whether this means watching it on the go on a smartphone or tablet, time-shifting to watch it in a different time zone, or using a digital recording device to watch a program at a more convenient time. The rapid adoption of Internet-based services such as Netflix offers consumers more choices. Canadian Netflix users have now surpassed 19 million, and it is changing how consumers view TV-type programming and how marketers view TV as an advertising platform.[9]

When TV ads are well designed and appropriately placed in the media, this tool can deliver very impactful and effective messages. Many TV advertisers complement their ads with other advertising options that meet target audiences online through online display ads or with pre-roll video ads that play before an online broadcast of a TV program. Marketers are aware that consumer behaviour is placing the effectiveness of stand-alone TV advertising into question.

TV viewers frequently change channels during commercial breaks, and many use digital recording devices to watch programs at a later date. Sometimes, people prefer to watch TV programs online where fewer ads exist, or catch a show at another time through on-demand digital programming. It is estimated that by 2025, only 7 million Canadian households will pay local carriers for television subscriptions, with many households becoming "cord cutters," people who decide to cancel TV cable or satellite and focus on online viewing.[10]

Newspapers

The Canadian newspaper industry has undergone significant change over the last few decades, with a decline in circulation rates and a concerted move to digital formats. In addition, newspapers are challenged with lower advertising revenues in this digital age where the news is accessible through multiple avenues.

However, newspapers are still an important advertising medium that are well-recognized in the market for providing reliable information. There are three types of newspapers: daily paid-circulation newspapers, free daily newspapers, and free community newspapers. In 2022, 16.1 million newspapers were circulated per week with 63 percent being paid and the balance being free. Community newspapers are published either weekly or monthly and are an excellent media choice for local retailers and for community events.[11]

Search Engine Marketing

Search Engine Marketing (SEM) refers to a paid form of advertising that emerges after a search engine query. This is similar to **Search Engine Optimization** (SEO) in the sense that the result comes about via an online search. However, SEO ensures that websites are written, indexed, and coded so that they are highly rated and ranked by the search engines such as Google and Bing. Thus, emerging at the top of the search results in search engines. Marketers often work with specialists to maximize search engine optimization.

An Internet advertising approach pioneered by search engines and now also used by a few websites, blogs, and social media sites is called **pay-per-click advertising (PPC)**. It is often referred to as *search advertising* because it primarily appears on search engines in the form of mini-text ads that are served during keyword searches on either the top or right-hand side of the search page. The search engine is paid by the PPC advertiser only when the ads are clicked. Pay-per-click image ads also exist on some blogs and social media sites.

Online Display Advertising

A popular form of online advertising, also called banner advertising, online display advertising refers to the rectangular banners seen at the top, sides, and bottom of a Web page. These banners are either static or dynamic and are useful in leading viewers to a brand's website or offer.

The first form of online advertising in 1994, banner advertising uses real time bidding technology for brands to bid on a space in real time. The technology allows advertising to be seen by the right user at the right time–and the right price.[12]

Social Media Advertising

Social media advertising allows brands to deliver content or advertising on a social media platform. This content is delivered using algorithms to the correct target market. Thus, increasing the efficiency of the advertising by ensuring people of interest are the ones that see the message. More on social media advertising later in this chapter in **The Social Media Landscape**.[13]

Email Marketing

Email marketing is a mix of direct marketing and digital marketing. It allows companies to send informational or promotional emails to individuals on their email list. It helps to build relationships with customers and engage them as well. One issue with email marketing is that some consumers view it as spam and simply delete or unsubscribe from email lists.[14]

Coming into effect in 2014, Canada's Anti-Spam Legislation (CASL) legislates appropriate commerce-based messaging in Canada. The legislation requires all companies to receive consent from consumers before sending emails. This opt-in process is essential before sending any emails to customers. Not complying with CASL could lead to fines of up to $10 million.[15]

Magazines

Magazines provide advertisers with a high-quality media environment and provide an excellent opportunity for advertisers to match magazines to their target market profile. In 2020, 53 percent of Canadians accessed magazines via print only, while 15 percent accessed them online only via computers or a mobile device. The remaining Canadians who access magazines use a mix of print and digital.[16]

Magazines have adapted well to the online environment by providing added online content such as searchable databases, blogs, contests, and polls, as well as mobile versions that can be accessed on tablets and other mobile devices. As a result, almost half of all magazine readers are reading on a digital platform.

Agility PR Solutions identified the top 10 Canadian magazines in 2022 by circulation.[17]

1. *enRoute*
2. *Sportsnet*
3. *TSN*
4. *TravelPulse Canada*
5. *HELLO! Canada*
6. *Toronto Life*
7. *Maclean's*
8. *Vice Canada*
9. *Reader's Digest Canada*
10. *Chatelaine*

Radio

Radio revenues have been declining since since their peak of $2.03 billion in 2011. In 2021, Canadian radio generated $1.54 billion. This decline is forecasted to continue. Even so, radio is still a highly sought advertising medium as consumers are usually captive audiences. Over 67 percent of survey respondents listen on conventional radio in their vehicles and over 86 percent of respondents listened to radio in the past month.

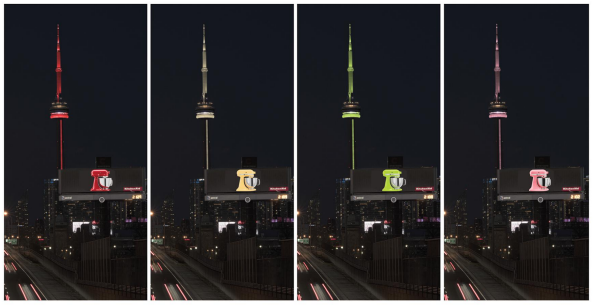
The main characteristics of radio are that it is local and has a relatively low production cost. This makes it affordable for both small and large advertisers. As of 2020, there were 964 total radio stations in Canada with 716 of them being commercial. These private commercial radio stations in Canada focus on specific listener interests, including news and talk, or music genres such as adult contemporary, country, contemporary hits, rock, classical, and oldies. Stations also exist for specific ethnic groups that broadcast content in foreign languages.

Radio stations have responded to the Internet with online broadcasts, downloadable podcasts, apps, and blogs.[18]

Out-of-Home

Out-of-home (OOH) advertising reaches consumers outside the home in outdoor locations using media such as billboards, posters, bus shelter ads, transit ads, washroom ads, and a variety of non-conventional methods such as aerial advertising, closed-circuit TV, electronic signage, and street furniture.

Over the last few years, this media has experienced slight increases due to its participation in IMC programs and the realization by marketers that this media cannot be turned off. The Out-of-Home Marketing Association of Canada's latest Canadian shopper habits survey reported 78 percent of shoppers aged 18 to 64 said they pay attention to OOH advertising. In a recent survey, 70 percent of Canadians take action after seeing OOH advertising. Actions included visiting a website, searching for more information, visiting a store, or even buying the product.[19]



KitchenAid matches this mixer billboard with the shifting colour of Toronto's CN Tower.

KitchenAid/Zulu Alpha Kilo

OOH advertising includes outdoor and transit advertising. Outdoor includes billboards, back-lit posters, superboards (large billboards), mall posters, digital signs, video signage/displays, wall banners, murals, and street-level columns. Examples can be seen at Yonge-Dundas Square in Toronto where Canada's first media tower dominates with 20,000 square feet of advertising in the form of digital billboards, full-motion video, and customized displays. It also includes place-based media where messages are placed in out-of-home destinations such as shopping malls, airports, parking lots, doctors' offices, health clubs, gas stations, elevators, and washrooms in restaurants, bars, and post-secondary schools. Transit advertising refers to ads

placed on the interior and exterior of buses, subway cars, and taxis as well as in subway stations and on transit shelters.

Mobile

Mobile advertising refers to any advertising that is viewed on a mobile device such as a smartphone or a tablet. Mobile advertising includes methods such as SMS campaigns or banner ads. Advertisements are tailored to users preferences through data mining.

Advertising that renders on mobile devices is a rapidly growing area of mobile marketing, and is expected to rise to almost $17 billion in spend by 2026; 32 percent of this spending to expected to be on social media, 27 percent on video, and 23 percent on search.[20]

Research tells us that mobile ads are most effective in increasing brand awareness and purchase consideration. The next most common outcome when consumers click on mobile ads is that they are likely to make a purchase, followed by saving a page to their device, and adding a product to their shopping list. While consumers indicate that they are most likely to pay attention to TV advertisements, mobile is second, with desktop, print, and radio far behind. This fact also reinforces the importance of implementing a multi-device marketing program, since a large number of consumers use mobile devices at the same time that they are watching television.[21]

Advertising options on mobile devices include placing displays ads on highly trafficked mobile-optimized websites or placing ads within third-party apps such as the Weather Network app, which delivers ads for many companies such as the OLG lottery. Pay-per-click mobile ads can also be placed around mobile search results and takeover ads, and mobile video ads can be created to appear as pre-roll video ads that are seen before watching a video on a mobile device.

“Research tells us that mobile ads are most effective in increasing brand awareness and purchase consideration.”

An example of how marketers design ads for each device to maximize their impact is the Weather Network website properties:

- The Weather Network desktop site at **www.theweathernetwork.com/ca** hosts display ads for companies such as BMO, Air Canada Vacations, and Pampers that appear as banners. The display ads change regularly and reflect the customer’s views, browsing history, and interests.

- The Weather Network mobile site for smartphones can be downloaded from one of the app stores and is available in multiple formats. It has ads on its home page as you scroll further down the page. This ensures that ads do not interfere with the ability to quickly obtain current weather conditions.
- The Weather Network tablet site focuses on weather information that needs to be communicated and has less space for any type of display advertising compared to the mobile and desktop versions. Small square display ads are interspersed with weather-related videos, and leaderboard-style ads are placed at the very bottom of the page.

What is consistent across all platforms is a focus on functionality and consistent branding. However, the Weather Network offers a variety of advertising opportunities that best fit the format.



The Weather Network app is very popular in Canada.

©2020 The Weather Network Pelmorex Weather Networks

Scheduling the Advertising

There is no correct schedule to advertise a product, but three factors must be considered. First is the issue of *buyer turnover*, which is how often new buyers enter the market to buy the product. The higher the buyer turnover, the greater the amount of advertising required. A second issue in scheduling is the *purchase frequency*; the more frequently the product is purchased, the less repetition is required. Finally, companies must consider the *forgetting rate*, the speed with which buyers forget the brand if advertising is not seen.

Setting schedules requires an understanding of how the market behaves. Most companies tend to follow one of three basic approaches:

1. *Continuous (steady) schedule*. When seasonal factors are unimportant, advertising is run at a continuous or steady schedule throughout the year.

2. *Flighting (intermittent) schedule*. Periods of advertising are scheduled between periods of no advertising to reflect seasonal demand.
3. *Pulse (burst) schedule*. A flighting schedule is combined with a continuous schedule because of increases in demand, heavy periods of promotion, or introduction of a new product.

For example, products such as breakfast cereals have a stable demand throughout the year and would typically use a continuous schedule of advertising. In contrast, products such as snow skis and suntan lotions have seasonal demands and receive flighting-schedule advertising during the seasonal demand period. Some products such as toys or automobiles require pulse-schedule advertising to facilitate sales throughout the year and during special periods of increased demand (such as holidays or new car introductions).

Some evidence suggests that pulsing schedules are superior to other advertising strategies.[22] In addition, research indicates the effectiveness of a particular ad wears out quickly; therefore, many alternative forms of a commercial may be more effective.[23]

More information on mobile advertising will be discussed later in this chapter in **The Mobile Marketing Landscape**.[24]

Critical Thinking for Marketing

1. *Imagine you are about to launch a new spin on the McDonald's chicken sandwich. What sandwich would you launch? What mix of advertising tools would you consider using? Why?*
2. *Imagine you are a paper towel company. You are targeting couples in their 80s. What mix of advertising tools would you consider leveraging?*

Product Placement and Branded Entertainment

LO 3 The fact that consumers avoid TV ads by muting the sound, changing the channel, or forwarding through their recordings is encouraging marketers to include products in TV shows and movies. This can be done through **product placement**, the inclusion of a product such as a soft drink in a movie or TV program, or the creation of an entire movie or TV episode around a brand, which is referred to as **branded entertainment**. When Ikea pays to have its furniture featured in a scene of *Deadpool*, this is an example of product placement. *The Lego Movie* and *The Super Marios Bros. Movie* are examples of branded entertainment. The Marketing Matters box, **The Evolution of Product Placement**, looks at one of the most valuable instances of product placement, Reese's Pieces in *E.T.*, through to current product placement in Netflix programming.[25]

Marketing Matters

The Evolution of Product Placement

In 1981, when Steven Speilberg was making the movie *E.T.*, the producers were looking for a brand to use in the scene where Elliott lures E.T. out with small candies. The Mars company, with M&Ms, was originally approached and turned down the opportunity. The Reese's company was approached instead, luckily for them. *E.T.* was released in 1982 and outperformed *Star Wars*. Sales of Reese's Pieces increased due to the successful collaboration in which Reese's agreed to include *E.T.* in $1 million worth of advertising to promote the movie. For this investment, it is estimated that Reese's Pieces received over $15 million worth of exposure. This story marks the beginning of the modern era of product placement.



©2014 Hershey Community Archives

One of the classic benefits of subscribing to a streaming video service is the lack of commercial interruptions. Netflix has seen increased viewership, especially in the Millennial segment. Viewers have moved away from traditional broadcast television to a monthly subscription to Netflix. However, Netflix recently added a lower subscription price with commercials added to the stream. Customers can now choose if they want to pay a premium subscription for content without commercials or not. The competition is increasing with Amazon Prime Video, Peacock, Apple TV, Disney Plus, and many others entering the market.

Netflix has been very successful in producing original content, but this creativity requires additional revenue to fund growth. According to Greg Isaacs, chief product and marketing officer at Branded Entertainment Network, more than 70 percent of Netflix shows contain some product placement. In just the fourth season of *Stranger Things*, Netflix generated $27.4 million in revenue. The season finale itself had 35 different brands, bringing in $7.3 million in revenue.[a]

Examples of brands using product placements vary from show to show:

Figure 13–4 Netflix shows and brands that have used product placement

Netflix Show	Brands Featured
Stranger Things	• Coca Cola • Sony • Reebok
Wednesday	• Apple • Taco Bell
Sense 8	• HP

Netflix Show	Brands Featured
	• Porsche
Sex Education	• Casio • Nike

Another cool development is tech that provides on-demand product placements targeted at individuals in the audience. A company called Ryff would provide each viewer with a unique experience, where the placements can be tailored to the audience, show, time of day, and geographic location, and would run seamlessly throughout the streamed video.

Have you noticed a proliferation of Pop-Tarts in the shows that you have been watching? Or seen oddly flavoured Pop-Tart memes show up in your Instagram? Even *Deadpool 2* had a scene with the dreaded unfrosted Pop-Tart. This is all part of the constantly evolving Pop-Tart strategy to appeal to its teenage audience by being integrated into pop culture.

Pop-Tarts have a long history of being in TV shows like *Seinfeld*, movies like *Elf*, and in the Netflix original show *Daybreak*. Like the other brands that we are seeing embedded in streaming videos, Pop-Tarts marketing understands the importance of reaching the right people in order for the brand to have relevance and success.

The mutual benefit to the streamers and the brands using product placement is evident in the increased sales and positive brand attitudes that are created.

Questions

1. What is the benefit of product placement for both the company selling the product and producers who are being approached to use it?
2. What other product placement opportunities are there for Netflix?

Sales Promotion and Personal Selling

LO 4 **Sales promotion** is a communications tool that provides short-term incentives to generate interest in a product or cause and encourages purchase or support.

There are two basic types of sales promotion: (1) consumer promotions and (2) trade promotions. **Consumer promotions** are short-term marketing tools used to encourage immediate consumer purchase. They include incentives such as coupons, premiums, contests, sweepstakes, samples, loyalty programs, rebates, bonus packs, and point-of-purchase materials, which are outlined in Figure 13–5.

Figure 13–5 Consumer promotions—short-term tools to incent immediate purchase
Consumer promotions are an effective way to increase short-term sales.

Promotional Tools	Definition
Coupons	Price reductions offered in exchange for electronic or paper documents. Can be distributed online, via mobile application, on-pack, through flyers, or on shelf.
Premiums	Offers that provide merchandise for free or at a significant savings in exchange for proof-of-purchase of a product.
Contests	Offers where participants require a skill to win a prize such as creative submissions.
Sweepstakes	Offers which are pure games-of-chance and where consumers often participate by completing an entry form and, if selected as a winner, answering a skill-testing question.
Samples	The provision of free products to encourage consumers to try and purchase a product.
Loyalty programs	Programs that encourage and reward customers for ongoing purchases with points that can be redeemed for rewards.
Rebates	A price reduction supplied via mail in exchange for proof-of-purchase.

Promotional Tools	Definition
Bonus packs/special packs	The provision of oversized packs or bonus items attached to the original product.
Point-of-purchase materials	The use of in-store merchandising such as display materials, banners, floor decals, and posters to draw attention.

Consumer Promotions

McDonald's Monopoly game has been one of Canada's most successful consumer promotions for over 35 years. The promotion is a result of a partnership between McDonald's and Hasbro, building on the popularity of the Monopoly board game. Consumers collect Monopoly properties as they purchase McDonald's products and use the properties to win prizes. Despite the promotion tarnished with fraud exposed in a Netflix documentary, and the 2020 promotion postponed due to the coronavirus, the promotion is still going strong. It now has a stronger online component and leverages social media, in-app redemption, and YouTube to highlight real-time winners of prizes to consumers.[26]



McDonald's Monopoly game has been a successful consumer promotion in Canada for 30 years.

©CoCo Jones/Alamy Stock Photo

Mobile Sales Promotional Tools

Sales promotions provide short-term incentives for people to interact with brands whether through a discount, an offer, or another form of engagement. These elements can be communicated through the advertising approaches mentioned above, but in the mobile space, other more direct tools can encourage engagement and interaction. In the sales promotion space, mobile marketers can use mobile messaging, matrix 2D barcodes, and proximity marketing approaches. Common examples include text message alerts, app notifications, and various mobile downloads (mobile coupons, wallpapers, ringtones, and games).

Mobile Messaging

Mobile messaging comes in four main forms. There are (1) common short codes (CSC), (2) short messaging services (SMS), (3) multimedia messaging services (MMS), and (4) email messaging.

Common short codes (CSC) are dedicated short messaging codes of typically five to six digits that trigger subscriptions, donations, alerts, downloads, or the ability to access promotional content. Mobile marketers often use these codes in conjunction with keywords to involve consumers in a program. CSC numbers are provided by the Canadian Wireless Telecommunications Association (CWTA). There are numerous examples of CSC programs in Canada, such as BMO, which offers mobile alerts for any abnormal transactions on your bank account. Many charitable foundations also use CSC programs in Canada to raise funds. For example, a person can text the word SUPPORT to the number 45678 to donate $10 to March of Dimes Canada, and this amount is then added to their mobile phone bill.

> *“CSC programs in Canada must abide by the Canadian Wireless Telecommunications Association guidelines.”*

In terms of guidelines, all CSC programs in Canada must abide by the Canadian Wireless Telecommunications Association guidelines, which are discussed later in this chapter.

Short messaging services (SMS) and **multimedia messaging services (MMS)** are mobile communication approaches that allow marketers to send text messages or multimedia messages that contain graphics, video, or audio to an opted-in customer’s mobile device. Customers must opt in to SMS/MMS programs to receive ongoing communication that might include, among other things, text message alerts, offers, discounts, or coupons.

Airlines, such as Air Canada, regularly communicate flight information and check-in options to customers via SMS text.

Mobile email is an important tool in a mobile marketer's arsenal. Mobile devices are personal communication gadgets, and retrieving and sending emails is widely used on these devices. As mentioned earlier in the chapter, while the overall use of apps has stagnated, app use for reading emails is still growing. When designing emails, marketers must consider that an email may be viewed on a desktop, a laptop, a tablet, or a cell phone, which may render emails differently. Email marketing communications can be deployed by using email service providers that provide analytics on open rates, forward rates, bounce rates, and clicks. These metrics allow marketers to test different subject lines, headlines, and content so that, over time, the most effective email campaigns are deployed. When using email campaigns, marketers must adhere to Canada's anti-spam legislation and other marketing regulations as outlined in **Chapter 2**.

Matrix 2D Barcodes

A **matrix 2D barcode** is a two-dimensional square or rectangular response code that, when scanned by a mobile barcode reader or app, provides additional information, launches websites, prompts downloads, or sends SMS or email messages. A popular brand of matrix 2D barcode is the QR code.

> *"A popular brand of matrix 2D barcode is the QR code."*

Matrix 2D barcodes can be placed on flat surfaces such as print ads, posters, business cards, or even at the bottom of TV screens so that they can be scanned by mobile devices. The use of QR codes was ubiquitous when smartphones were first brought to market. Spotify launched a program whereby the customer could create a customized greeting card with a QR code printed on the card. When the recipient scanned the QR code with a mobile device, he or she would be able to enjoy a mixtape playlist selected by the card giver.

Columbia Sportswear integrated QR codes into its corporate social responsibility campaign by including a QR code on reused or recycled packaging. When customers purchased a Columbia product online, they were asked whether they would like a new or reused box. If the customer selected reused, the product was delivered in a box with a QR code that has compiled all of the information regarding where this box had been, creating an interesting

historical narrative in words and pictures. Eco-conscious customers loved the program, and it gained international attention.[27]

Proximity Marketing

Proximity marketing is the local distribution of marketing content to mobile devices that have opted in at a specific geolocation. A shopping mall may use proximity marketing to provide mobile coupons to shoppers who are using its free Wi-Fi network. A local coffee shop may use Bluetooth technology to invite people in the immediate vicinity to come in and try a new coffee.

Proximity marketing can be implemented using a number of different technologies such as Bluetooth beacons, near field communications (NFC), geofencing, and Wi-Fi.

- **Bluetooth**, or low-power radio waves, are transmitted though beacons and wirelessly transfer text, images, and audio or video data through a local hotspot to Bluetooth-enabled and -activated devices. Research estimates that 2024 will see 6 billion Bluetooth device shipments with this number increasing in years to come.[28]
- **Near field communications (NFC)** is the two-way radio communication between smartphones and smartphone-type devices that can transfer images and documents, or handle monetary transactions when the two devices touch or are within a few inches of each other. Unlike beacons, you cannot send push notifications with NFC, and it has a short range. The mobile wallet app Android Pay is an example of NFC. NFC approaches are used at industry events and conferences where NFC-enabled mobile devices can tap a centrally located hotspot to download complementary white papers, research studies, or speaker information.
- **Geofencing** uses global positioning systems (GPS) to trigger an event to happen when a device enters a certain geographic area.
- **Wi-Fi hotspots** can be set up with free Internet access, and once customers log in to use the free Wi-Fi, they can be sent location-specific content.[29]



Near field communications.

©Artur Marciniec/Alamy Stock Photo

Proximity marketing also includes mobile check-in services and mobile discovery apps that provide consumers with offers from local merchants. **Mobile check-in services** are when consumers check into locations using apps such as Foursquare or Yelp to post their whereabouts and then receive offers from local merchants on their mobile devices. **Mobile discovery** refers to the use of mobile apps such as Google Maps, Yelp, or Zomato to find local services that are rated in the area.

Trade Promotions

Trade promotions are short-term promotional tools used to generate support with wholesalers, distributors, or retailers. Common approaches include trade shows, trade allowances and discounts, and co-operative advertising (see **Figure 13-6**).

Figure 13–6 Trade promotions

Trade promotions are often required to encourage retail support.

Trade Promotional Tools	Definition
Trade shows	Participation in industry events that showcase new products and initiatives.
Off-invoice allowances	A price reduction taken off the invoice of a purchase that is made within a specific time frame.

Trade Promotional Tools	Definition
Merchandising allowances	A price reduction taken off a purchase in return for displaying the product.
Co-op advertising	The contribution of funds for inclusion in a wholesaler, distributor, or retailer advertising program such as a flyer.

Critical Thinking for Marketing

1. *What types of consumer promotions are available to marketers?*
2. *How do trade promotions differ from consumer promotions?*
3. *What trade promotional tools are available to marketers?*

Personal Selling

LO 5 **Personal selling** involves the two-way flow of communication between a buyer and seller, often face-to-face or facilitated through communication devices, to influence an individual or group purchase-decision. Unlike advertising, personal selling is usually face-to-face communication, although telephone and electronic communication is also used.



Personal selling plays a central role in many industries.

©Rob Melnychuk/Getty Images

Sales positions include account management positions, manufacturing sales personnel, real estate brokers, stockbrokers, and salesclerks who work in retail stores. In reality, virtually every occupation that involves customer contact has an element of personal selling with the salespeople representing the company.

The personal selling process consists of six stages: prospecting, pre-approach, approach, presentation, close, and follow-up, as detailed in **Figure 13–7**.

Figure 13–7 Stages and objectives in the personal selling process

Stage	Objective	Comments
1. Prospecting	Search for and qualify prospects	Start of the selling process; prospects generated through advertising, referrals, and cold canvassing
2. Pre-approach	Gather information and decide how to approach the prospect	Information sources include personal observation, other customers, and company salespeople

Stage	Objective	Comments
3. Approach	Gain prospect's attention, stimulate interest, and make transition to the presentation	First impression is critical; gain attention and interest through references to common acquaintances, a referral, or product demonstration
4. Presentation	Begin converting a prospect into a customer by creating a desire for the product or service	Different presentation formats are possible; involving the customer is critical; responding to objections is key; a professional ethical approach is needed
5. Close	Obtain a purchase commitment from the prospect and secure a customer	Salesperson asks for the order; different approaches include the trial close and assumptive close; trial close can be used at any stage
6. Follow-up	Ensure that the customer is satisfied with the product or service	Resolve any problems faced by the customer to ensure customer satisfaction and future sales possibilities

Critical Thinking for Marketing

1. *What is the major difference between advertising and personal selling?*
2. *Which promotional tools can generate immediate responses?*
3. *What are the stages in the personal selling process?*

Public Relations

LO 6 Public relations is an area that is increasingly used by marketers to deliver messages to consumers. While advertising may be viewed with suspicion, messages that come through a third party, such as the media, are often seen as more reliable and credible. In addition, for marketers with small budgets, public relations efforts can be a more affordable way to communicate with a wide audience.

Public relations is a communications tool that seeks to influence the opinions and attitudes of target groups through the use of unpaid media exposure. Public relations professionals build relationships with the media and stakeholders and use tools such as press releases, social media releases, press kits, news conferences, and events to spread the word. Public relations specialists target the media in an attempt to generate positive publicity for a company, product, or individual. Public relations can also take the form of crisis management and image management.

Crisis management can be an important aspect of public relations, as seen with various incidents over the last few years that have severely impacted people's lives and forced companies to answer to the public outcry. Public relations professionals, well-versed in crisis management, help companies navigate these difficult circumstances by advising on what strategies should be followed to rectify situations and salvage a company's image.

An example worth noting is that of Coca-Cola, which came under fire when it was uncovered that it had funded research downplaying the role that diet plays in obesity. As part of a partnership with the Global Energy Balance Network, funded by Coca-Cola, research was conducted that attempted to attribute obesity to lack of exercise. After this partnership was exposed by the media in Canada and the United States, Coca-Cola needed to deal with this corporate crisis by responding to its critics.

When a crisis occurs within an organization, response must be rapid, with the CEO leading the charge. The organization needs to take responsibility and acknowledge any wrongdoing with transparency. It is also very important for the organization to present an action plan of next steps to confirm its commitment to rectifying the situation.

Coke did all of these things. Within a couple of days, the chief technical officer at Coca-Cola responded with a letter to the editor of *USA Today*, and this was followed by an editorial in the *Wall Street Journal* by Coca-Cola's then CEO Muhtar Kent. Coca-Cola acknowledged that some of the decisions it had made to fund research and health programs were confusing to the public and created mistrust.

The company committed to more transparency in future and reinforced that both diet and exercise play an important role in combating obesity. Coca-Cola also committed to establishing an oversight committee of external experts to review any future research activities. By all accounts, Coca-Cola managed to handle this crisis in a professional manner, which reinforced its commitment to its customers.[30]

"Crisis management can be an important aspect of public relations."

It is important to understand that while public relations efforts can yield positive results, ultimately the media decides if, what, and when it may spread a message about a company, brand, or individual. **Publicity** is a non-personal form of communication that appears in the media and is not paid for directly by the organization. The publicity is not controlled by the company itself, and the company has no control over what is discussed.

Public Relations Tools

Public relations activities need to be ethical and integrated into marketing communications efforts. Several tools and tactics are available for marketers, including press releases, press conferences, special events, and company reports. Social media releases and social media initiatives are relatively new tools that can come under the guise of public relations. Let's look at the tools.

Press Releases

One of the most frequently used public relations tools is the **press release**, an announcement written by the organization and sent to the media.

Press Conferences

Another commonly used publicity tool is the **press conference**, when representatives of the media are invited to an informational meeting with the company. Advance materials and

press releases are often distributed ahead of time and external experts and/or executives from the company are present. This tool is often used during crisis management situations.

Special Events

This growing area of public relations involves the creation, support, or sponsorship of special events such as company-sponsored seminars, conferences, and sporting or entertainment events. The goal of these events is to create a forum to disseminate company information and to create positive brand associations for participants or viewers.

Company Reports

Formal company information that is published in annual reports, brochures, newsletters, or videos are also public relations tools that help spread positive messages.

Social Media Releases

A **social media release** is a tool available for marketers to efficiently and effectively communicate information to the media and the public. Unlike press releases, which exist online and offline with mainly text-based information, social media releases use online multimedia to communicate with recipients. Video, images, and text are included in online releases, with comment areas and share buttons so that readers can easily share the release on blogs or social networks such as X and Facebook.

Critical Thinking for Marketing

1. *What are the advantages and disadvantages of using public relations?*
2. *What is a social media release?*
3. *What role do press conferences play in public relations?*

Direct Response Marketing

LO 7 **Direct response marketing** is a tool designed to communicate with consumers in a targeted and personalized way using either traditional or online approaches. In addition, unique to direct response marketing is the inclusion of a call to action for consumers.[31] In many instances, a direct response marketing program is multifaceted and designed with

short-term communication blasts to build long-term relationships with the company and brand loyalty.

Offline approaches include direct mail, catalogues, telemarketing, and direct-response advertising on TV, radio, or print, where telephone numbers or web addresses drive an immediate call to action. Online approaches look to the Internet to facilitate one-on-one interactions and use tools such as email campaigns and social media interactions to drive consumers to landing pages, websites, or microsites. In many instances, offline and online direct response approaches work together to encourage consumers to go to a store or an ecommerce site to complete a transaction.

Direct response marketing programs use metrics to evaluate success, such as business leads, traffic generation, and direct orders. **Lead generation** is the resultant request for additional information. **Traffic generation** is the resultant visit to a location or website.

Although much direct marketing focus has shifted online, mailers, those direct mail pieces sent to consumers via mail still have their place. As consumers are overloaded by digital media, receiving an enticing piece of mail helps combat this overload—especially since the amount of mailers being sent out has lessened. Thus, any mailer has a higher chance of sticking out. Cheaper production costs has also made personalization possible and thus targeting specific segments with personalized messages is easier than ever.[32]

Email Marketing

Email marketing includes the use of opt-in email lists where consumers register and give permission to receive online communications. The Canadian Marketing Association (CMA) strictly advises members not to use spam. **Permission-based email** is when a recipient chooses to receive email from a marketer, while *spam* is unsolicited email that clutters the Internet. The use of email marketing by Canadian marketers continues to grow. It was initially thought that the introduction of tougher anti-spam laws would severely limit the use of email communication. However, marketers are finding that they have better quality email lists to work with.

Event Marketing and Sponsorship

LO 8 **Event marketing** refers to the creation or involvement of a brand in an experience or occasion that heightens its awareness, creates positive associations, and generates a desired response. *Experiential marketing*, introduced in **Chapter 1**, can be based around an event, but it often combines public relations, event marketing, and promotions to break through the clutter of competing marketing messages. Event marketing and sponsorship often go hand-in-hand with brands lending their names to established events. Companies often weave event marketing into integrated campaigns to make connections with consumers and create a buzz.

Sponsorship involves a company paying a fee in exchange for inclusion in an event, involvement in its advertising opportunities, or exposure within the event itself. Sponsorship programs can encompass a multitude of approaches that range from placing ads or logos in brochures, to setting up banners at events, to the naming of the event itself.

> *"Companies often weave event marketing into integrated campaigns."*

In 2023, TELUS was announced as the front-of-jersey sponsor for the Vancouver Whitecaps FC, replacing Bell, the original sponsor of the team's jerseys. Featuring prominently on the front of the team's jersey, TELUS is integrating its BC roots with a local BC soccer club. Not only placing their names on jerseys, TELUS is also the co-presenting sponsor of the club's Community Soccer Experience. This partnership supports the goals of both organizations to "build stronger, healthier communities and help those who need our support," according to Whitecaps CEO Axel Schuster.[33]



TELUS sponsors the Vancouver Whitecaps' jersey.

SPP Sport Press Photo/Alamy Stock Photo

Digital Marketing Communication

Digital marketing communication tools are the most rapidly evolving areas in marketing, and a marketer needs to understand how consumers and marketers use them to stay connected and engaged. One of the first touch points that a brand may have with a consumer is through its website, where a consumer may go to find out more about a product or company. Consumers connect with each other and with brands using social media, whether this is with Facebook to locate an offer or with X to lodge a complaint. Mobile platforms are often used by consumers to reach out on social networks, checking statuses and posting updates to share with friends throughout the day and on the go. Marketers in turn connect brands with consumers on these networks and use mobile marketing approaches to reach consumers on their mobile devices.

Online Marketing Tools

LO 9 The Internet has a number of unique online tools that marketers use to engage individuals—namely, websites and microsites, search engine marketing, influencer marketing, word-of-mouth marketing, social media marketing, and mobile marketing.

Websites

When it comes to websites, their design and content is central to successful ranking on search engines, which facilitates discovery by consumers. Content needs to be fresh and frequently updated. Many websites include blogs as a means of routinely adding fresh new content. Visual website appeal is also important. Consumers decide to click on a web page within seconds; therefore, content and visual appeal need to work together to present an appealing proposition. Websites can be transactional, promotional, or both. **Transactional websites** were discussed in **Chapter 10**. They are essentially electronic storefronts focused on converting an online searcher into an online buyer. **Promotional websites** focus on showcasing products and services.



The Walmart website has a focus on transactions.

©Ed Endicott/Alamy Stock Photo

Microsites are promotional websites created to showcase a specific brand or for short-term promotional purposes, often providing consumers with the ability to enter contests and access promotional offers. TurboTax Canada, an Intuit brand, provides Canadians with software and expertise to file their yearly income taxes. In 2023, they developed a microsite for a

sweepstakes where customers could apply for a chance to win eight one-thousand dollar prizes. **Corporate websites** are important destination sites for consumers and the media that want to quickly access company and product information.[34]

Websites often form the foundation of a company's or brand's digital marketing strategy, providing links to social media as well as sign-up pages for newsletter and email communications.

> *"Microsites are promotional websites created to showcase a specific brand or for short-term promotional purposes."*

Search Engine Marketing

Search engine marketing (SEM) is an Internet marketing approach that includes two areas: (1) search engine optimization (SEO) and (2) pay-per-click advertising. See Search Engine Marketing earlier in this chapter.

Influencer Marketing

Social media have changed how marketing communications are targeted and have spurred the emergence of influencer marketing. **Influencer marketing** is the practice of focusing on the identification and recruitment of influencers to advocate a company's products, services, and brands rather than focusing exclusively on prospective buyers.

Tanisha Cherry, a Canadian lifestyle, beauty, and fashion influencer, can be found at **tanisha.cherry** on Instagram. She has racked up almost sixteen thousand followers. Her posts focus on beauty brands, reflections on her childhood, and her day-to-day life. Her carefully curated content allows for strong relationships to be formed between her and her followers.

Influencer marketing is based on the concept of personal influence; namely, a consumer's purchases are often influenced by the views, opinions, or behaviour of others (see **Chapter 3**). Influencer marketing applies this behavioural concept to social media in the presence of social networks and user-generated content. A perfect marriage!

The identification of influencers on social media is based, in large part, on the number of followers an influencer has on social networking sites such as Facebook, Instagram, X, TikTok, and YouTube. The number of followers, in turn, is often attributed to an influencer's *perceived* credibility, knowledge, authenticity, and reliability in providing relevant content to his or her audience. In short, social media influencers are trusted by their followers.

The recruitment of social media influencers involves partnering with individuals who are willing and able to effectively engage their followers with a product, service, or brand. These influencers are often compensated. They are paid outright, given free products or services, and reimbursed for their expenses in creating and posting content. Seventy-five percent of Canadian companies have a budget for influencer advertising with a global size of influencer marketing reaching $16.4 billion in 2022.[35]

Social media influencers exist within specific categories. For example, the Kardashians (Kim, Kourtney, and Khloe) and Jenners (Kris, Kylie, and Kendall) are prominent influencers in the fashion, fitness, entertainment, beauty, and pop culture categories. Their combined worldwide social media followers likely exceed 1.2 billion followers. The Marketing Matters box, **Canadian Influencers**, introduces some influencers in Canada.[36]

Marketing Matters

Canadian Influencers

With all of the changes in the media landscape, an interesting trend has emerged in the social media arena, and that is the power of influencers on both a macro and micro level. So how can an influencer help build a brand? According to *Marketing Hub*, an influencer is someone who has:

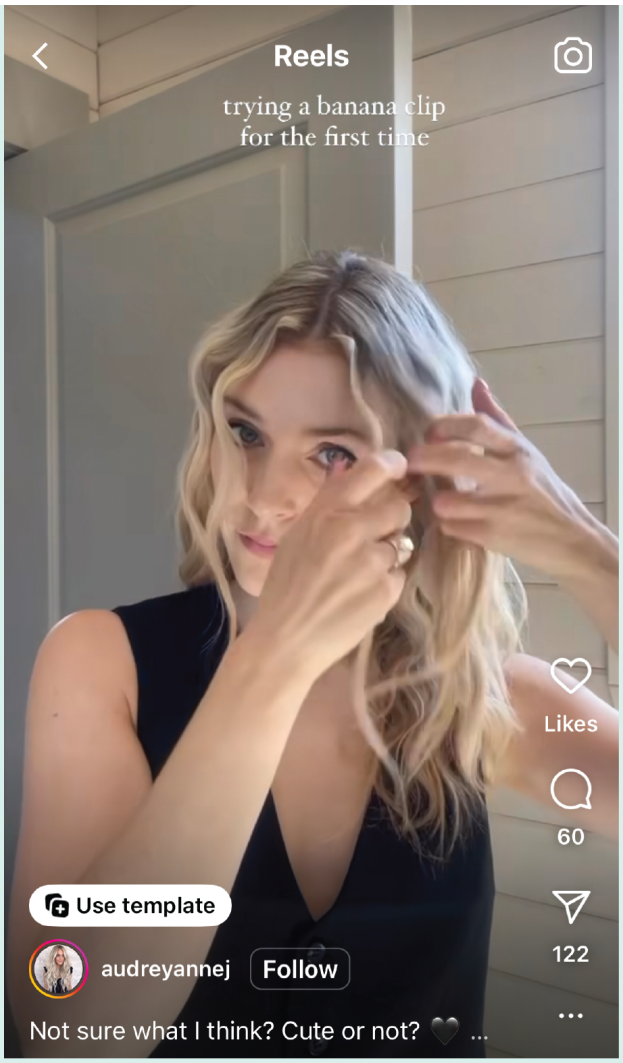
- The power to affect the purchasing decisions of others because of their authority, knowledge, position, or relationship with their audience; and
- A following in a distinct niche, with whom they actively engages, the size of which depends on the size of their topic of the niche.

It is important to note that these individuals are not merely marketing tools, but rather social relationship assets with which brands can collaborate to achieve their marketing objectives.

The great thing about influencers is that they already have a following of people who like and trust them, and with the right relationship, that trust can be also connected to brands that they like and promote. It is difficult to create a large following on social media from scratch, so aligning with like-minded influencers can help you reach your target audience more effectively.

The online marketing metrics are driven by the conversion rate of customers, which basically means how we persuade our potential customers to move from being interested in our product or service to actually purchasing. To be successful in driving conversions, you must have a combination of brand awareness, brand trust, and urgency. The right influencers help to create brand awareness and trust in their loyal followers; arming those influencers with a promo code or information about upcoming events provides the urgency.

Influencers also help with the heavy lifting of having an online presence as they provide the brand with additional unique content, improve the search engine rankings, expose the brand to new markets, and increase lead generation. In order to get these benefits from this emerging marketing tool, it is vital that brands partner with influencers that strongly align with the brand image and target market.



Audrey-Anne Jean providing a how-to for her hairstyle.

Audrey-Anne Jean/Shine Talent Group

Audrey-Anne Jean (@audreyannej), originally from Quebec, is a hairstyle influencer now living on Prince Edward Island. She has a large following on Instagram, approaching 1 million followers and over 540,000 on TikTok. Audrey Anne has worked with a variety of brands, showcasing her unique style and providing how-to's for hairstyles, including looks for the spring and for picnics.

In 2023, the influencer partnered with Nexxus, a Unilever hair product company with lines of shampoo, conditioner, treatments, and many more, sold at Shoppers Drug Mart. This brand collaboration fits with Audrey-Anne's quality hair care focus.

Another interesting use of influencers and collaboration is demonstrated with the @indigistyle initiative created by Indigenous fashion lovers Gabrielle Fayant and Dani Lanouette. Being really interested in fashion, they created @indigistyle as a platform to encourage and support Indigenous designers and help them create a greater online presence. They also work alongside another Indigenous fashion blogger Andrea Deleeuw, working together as a collective to make space for Indigenous values, community, and bloggers.



Indigenous fashion lovers Gabrielle Fayant and Dani Lanouette.

Courtesy of Gabrielle Fayant and Dani Lanoueutte

"It's almost like a fan page to hype up the artists and brands that we buy from and that we really love," said Gabrielle.

To create buzz, the #Indigistyle Challenge was created to lift spirits and showcase Indigenous style. Participants were encouraged to post different types of fashion items on different days through the seven-day challenge period. Future plans have the platform showcasing specific designers, having contests, and providing intel on special designer drops happening throughout the year. Working together to create trust, interest, and buzz around Indigenous fashion and the @indigistyle brand will also create opportunities for the team to widen their sphere of influence into the wider fashion market, improving the reach and creating more opportunities for buyers and sellers of these unique items.

Thoroughly investigating the content of any interesting influencer to check on alignment with your brand values and audience is much more important than just picking the person with the most followers or likes on their sites. With a well-aligned choice of social media influencers on your brand's side, you can build trust, content, and urgency with new markets that find your networks and optimize searches.

Questions

1. What is an influencer?
2. What are important considerations when choosing an influencer for your brand?

Word-of-Mouth Marketing

Word-of-mouth marketing is based on the spread of positive messages about a product by listening to consumers, identifying influential individuals who can spread the word, and making it easier for them to do so. Word of mouth marketing drives six trillion dollars of consumer spending and 13 percent of total consumer sales.[37]

Word-of-mouth communication works on several levels. On a viral level, it tries to create buzz through social media that seeds fun and interesting messages, many times with influential people who spread the word. On an influencer level, it identifies key communities, opinion leaders, and product advocates who get personally involved with the brand and have the ability to influence others.[38] On a professional level, official referral programs may be put in place to reward satisfied customers who refer the brand to friends and contacts.

The Social Media Landscape

LO 10 Defining *social media* is challenging, but it's necessary to help a brand or marketing manager select the right platform. This section defines social media, classifies social media, and describes why and how social media have transformed marking communications.

What Are Social Media?

This section defines social media and classifies the countless social media available to assist marketing managers in choosing among them.

Defining Social Media

Social media represent a unique blending of technology and social interaction to create a communal experience and personal value for users. Social media are online media where users submit comments, photos, and videos—often accompanied by a feedback process to identify popular topics. Most social media involve a genuine online conversation among people about a subject of mutual interest, one built on their personal thoughts and experiences. However, other social media sites involve games and virtual worlds in which the online interaction includes playing a game, completing a quest, controlling an avatar, and so on. Business firms also refer to social media as *consumer-generated media*. A single social media site with millions of users interacting with each other, like Facebook, X, and LinkedIn, is referred to as a *social network*.



The next-generation Web, Web 3.0, will be customized to each individual. Read the text to learn how!

©Wright Studio/Shutterstock

The term *social media* is sometimes used interchangeably with the terms Web 2.0, Web 3.0, and *user-generated content*—concepts that are the foundation of today's social media. Web 2.0 and Web 3.0 identify technological functionalities that make possible today's high degree of interactivity among users. Web 2.0 includes functionalities that permit people to collaborate and share information online. Web 3.0 includes additional functionalities that allow personalization and customization to each individual based on location, interests, and needs. It integrates new features such as cloud computing, big data, the Internet of Things, security solutions, and privacy protection.[39]

User-generated content (UGC) refers to any form of online media content that is publicly available and created by consumers or end users. The term *user-generated content* (also referred to as consumer-generated content) includes video, blogs, discussion forum posts, digital images, audio files, and related content. To qualify as UGC, content must satisfy three basic criteria:[40]

1. It is published either on a publicly accessible website or on a social media site, so it is not simply an email.
2. It shows a significant degree of original or creative effort, so it is more than simply posting a newspaper article on a personal blog without editing or comments.
3. It is consumer generated by an individual outside of a professional or commercial organization.

Ninety-three percent of marketers believe that UGC is more trusted than content generated by brands. Thus, it is more effective.[41]

Classifying Social Media

Most of us would probably say that Facebook, X, LinkedIn, and YouTube are well-known social media platforms. But marketing managers trying to reach potential customers need a system to classify the more than 400 specialized and diverse social media networks to select the best among them. Kaplan and Haenlein have proposed a classification system for marketers based on two factors:[42]

1. *Media richness*. This involves the degree of acoustic, visual, and personal contact between two communication partners—face-to-face communications, say, being higher in media richness than telephone or email communications. The higher the media richness and quality of presentation, the greater the social influence that communication partners have on each other's behaviour.

2. *Self-disclosure*. In any type of social interaction, individuals want to make a positive impression to achieve a favourable image with others. This favourable image is affected by the degree of self-disclosure about a person's thoughts, feelings, likes, and dislikes—where greater self-disclosure is likely to increase one's influence on those reached.

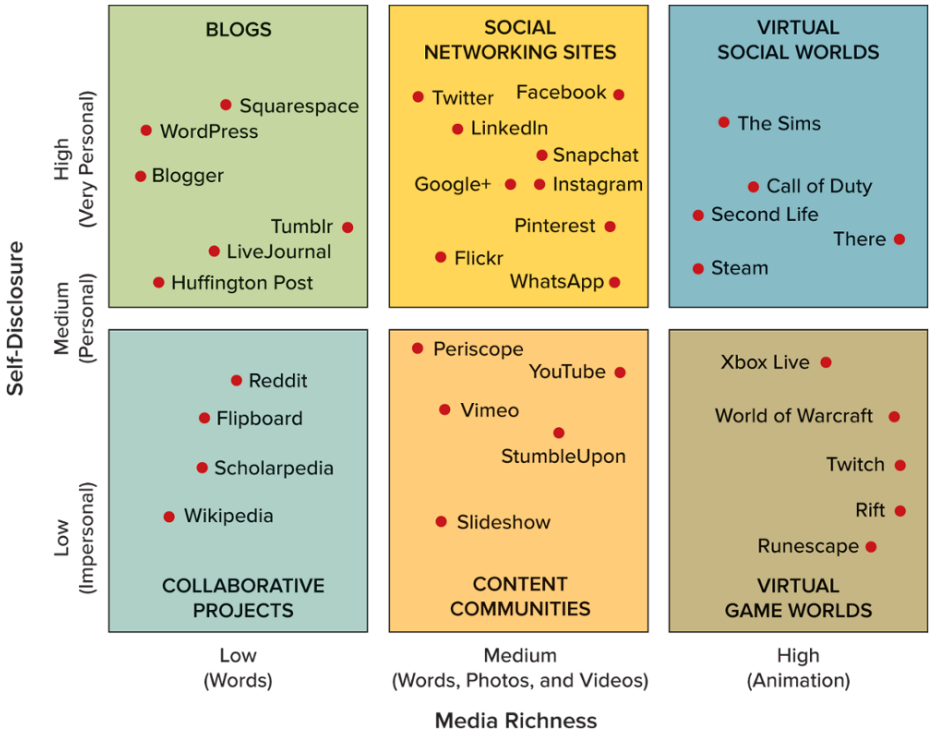


How do marketing managers choose the best social media sites to reach their target markets? As a first step, the text describes how social media can be classified and how they differ from traditional media.

©Anatolii Babii/Alamy Stock Photo

Figure 13–8 uses these two factors of media richness and self-disclosure to position a number of social media sites in two-dimensional space. For example, Wikipedia is a collaborative project that is low on both self-disclosure and media richness. LinkedIn, on the other hand, contains detailed career and resumé information for business networking and is high in self-disclosure but is only moderate in media richness.

Figure 13–8 A sample of social media, classified by media richness and self-disclosure. Note that in moving from words to photos, videos, and animation, media richness increases. Also, in moving from very impersonal messages to highly personal ones, self-disclosure increases.



Marketing managers look carefully at the positioning of the social media shown in Figure 13–8 when selecting those to use in their plans. For example, LinkedIn, positioned in the Social Networking Sites segment, is an over 20-year-old professional networking service with 875 million members in 200 countries and regions. LinkedIn surpassed $5 billion in revenue in July 2022 from advertising, recruiter fees, and subscriptions. LinkedIn's customers include companies such as Citigroup, Microsoft, Chevron, Hewlett-Packard, and Volkswagen, which promote their companies' career opportunities to people with specific job titles and individuals who are seeking a job or building a professional network.[43]

Why and How Social Media Transformed Marketing Communications

Consumers receive information, news, and education from print (newspapers, magazines) and electronic (radio, television) media. These traditional media remain important elements in a company's marketing communications effort. Social media can complement and augment these traditional media when they are focused on brand-building, customer acquisition, and customer advocacy.



Coca-Cola's #ShareaCoke generated thousands of shared images of friends and their Cokes.

vadimguzhva/Getty Images Plus

Content marketing is when brands or companies reach out by creating and sharing expertise and brand information that is designed to inform and engage with tools such as research papers, infographics, ebooks, how-to videos, blogs, webinars, enewsletters, case studies, and events. This information can be readily found by search engines.

In the business-to-business market, Shopify, the ecommerce platform helping businesses sell online, shares free content such as a business-name generator, to help current or future customers.[44] Tangerine, the Canadian bank formerly known as ING, considers content marketing a core means of communicating with customers. Unlike most competitors, Tangerine doesn't have any bricks-and-mortar locations.

Tangerine provides information that answers the questions and concerns that people have regarding banking and investing. Using tools such as social listening, Google search trends, and inbound inquiries, Tangerine has been able to provide valuable content such as "How I got over the intimidation of investing" and the "Return on investment of going back to school."[45] Check out the Forward Thinking section of the Tangerine website at **www.tangerine.ca** for some insightful articles.

Another form of user-generated content is a **blog**. Blog, short for *web log*, is a web page in the form of an online diary that is used by organizations and individuals to post updates that include personal opinions, activities, and experiences. Readers can subscribe to blogs, post comments, and share content. A **vlog**, short for *video blog*, is a blog that is posted in a video format. A **wiki** is a collaborative website (such as Wikipedia) that uses an application that allows multiple users to create, add, edit, or delete content.

Comparing Social Media with Traditional Media

Both the more traditional forms of media and social media are effective at communicating brand messages, there are several inherent differences:[46]

- Social media is flexible and can be changed even after it is published.
- Social media is available immediately.

- Social media creates a conversation, so marketers do not have full control over the messaging.
- Social media does not always provide reliable demographic data about its audiences.
- Social media can be produced inexpensively.
- Social media needs dedicated attention.

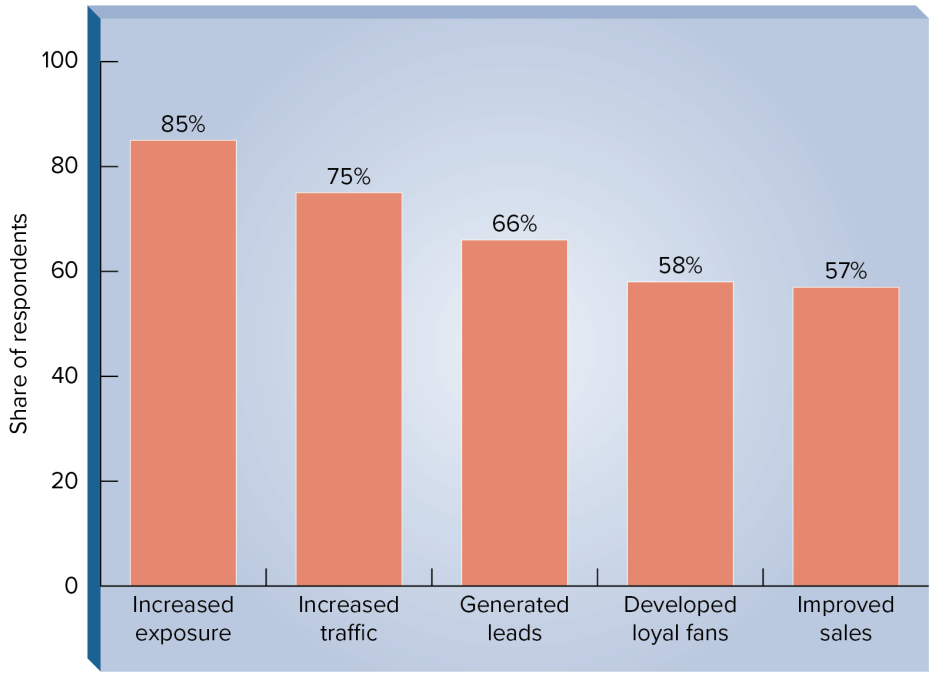
There is a misconception that social media is free. While it is less expensive to produce, a company also needs to consider the time that needs to be dedicated to monitoring and managing a social media program.

Social Media Marketing

Social media marketing is when brands reach out to consumers online through social networks where people connect with friends and contacts to share comments, articles, opinions, videos, and images as a form of self-expression. Brands engage on these platforms by hiring experts and social media managers to create brand pages on social media platforms, to join online conversations, to monitor and respond to questions and comments, to use metrics to measure performance and engagement, and to send out updates and offers. Brands may also place ads on the social networks that accept advertising.

The Social Media Examiner asked marketers what they felt the benefits of social media marketing were to their business. **Figure 13–9** shows that 85 percent of marketers believe that social media marketing generates brand exposure, 75 percent indicate increased traffic is a major benefit, and 66 percent believe it generates leads. Interestingly, 58 percent mentioned that social media helped them develop loyal fans, and 57 percent thought it improved sales All of these benefits can have a significant impact on a brand.[47]

Figure 13–9 Benefits of social media marketing 2022



Social media is a public venue, and marketers need to deal delicately with detractors and negative interactions, understanding that vehemently defending a brand in the court of public opinion can rapidly escalate on social media with negative repercussions. Unhappy consumers are most likely to take to Facebook or X with their complaints.[48] In order to avoid negative situations on social media, companies create social media policies and guidelines to help guide programs and interactions.

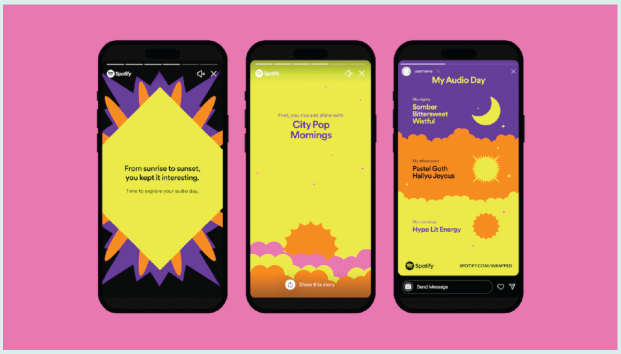
Managing customers' comments, reviews, and complaints can be a very time-consuming process. Customers expect answers quickly. A recent study found that 79 percent of consumers expressing a complaint on social media expected an answer within an hour; however, only 63 percent of complaints receive a response within 24 hours. The risk is that if companies

aren't meeting customer expectations, they are likely to feel negatively about the brand. And this negativity is expressed in a very public social media forum.[49]

Marketing Matters

Spotify Wrapped Campaign Continues to Go Viral

For over six years, Spotify, a digital music, video, and podcast streaming service, has been summarizing users' yearly consumption by producing sharable "wrapped" panes with consumers. Each subscriber gets an overview of what they listened to and watched through the previous year. For example, customers can see top artists, top songs, top genre, minutes listened, and much more.



Spotify's customized "wrapped" campaign.

Spotify

This viral campaign comes from users' ability to share their behaviours via social media. In fact, Spotify seems to take over many people's social media feeds for a few days after December 1—the day users' "presents" get unwrapped.

With 525 million subscribers and holding about 30 percent of the global streaming services market, this social media feat helps increase Spotify's brand awareness. And it's an easy sell for consumers to share their wrapped panes as they are not selling Spotify directly—rather they are using the panes to enhance their own identities by sharing them with their personal networks.

In 2022, the Spotify wrapped campaign earned 60 million shares from 90 million users. A true sign that this yearly viral event will continue for years to come.[b]

Questions

1. Why do you think Spotify Wrapped is a social media viral hit?

2. What other ideas would you suggest Spotify do to enhance the campaign's virality?

Critical Thinking for Marketing

1. *How is social media different from traditional media?*

2. *What is social media marketing?*

Social Media Marketing Networks and Tools

Social media marketing requires knowledge of the social networks that can be used to drive engagement as well as an understanding of the tools that exist to help manage and measure these programs.

Social Media Networks in Canada

Social media is used by marketers in many ways to help connect consumers with a brand. For example, Facebook can send out offers, updates, and contests; X can post newsworthy updates and answer customer service questions; Pinterest and Instagram can post inspiring images and contests; YouTube can be used for storytelling, how-to content, and engaging videos; and LinkedIn can profile a company's expertise. TikTok can leverage trend driven content or influencers to market their products/services.

The most developed social media programs use multiple social media sites to profile a brand in creative, engaging, and imaginative ways. Before creating social media marketing programs, marketers need to check any restrictions that these social media sites may have for running elements such as contests, which should also always adhere to the marketing regulations in Canada that were outlined in Chapter 2.

In December 2022, the most popular social networks based on share of visits for Canadians were Facebook, Pinterest, X, and Instagram.[50] The life cycle of social media sites can be rather fickle since these sites grow and die based on public perceptions. The data box below, World's Most Used Social Platforms—Global Active Users (in millions) shows how social platform usage compares globally.

World's Most Used Social Platforms—Global Active Users (in millions)

Facebook	2,910
YouTube	2,562
WhatsApp	2,000
Instagram	1,478
Wechat	1,263
TikTok	1,000
Facebook Messenger	988
Douyin	600
QQ	574
Sina Weibo	573
Kuaishou	573

Source: https://datareportal.com/reports/digital-2022-global-overview-report.

While social media network usage is important, marketers tend to focus the majority of their time on specific networks: Facebook, Instagram, LinkedIn, YouTube, TikTok, and Snapchat.[51] Next, we look at five mainstream social media networks to understand how they are used for marketing purposes.

Facebook

With over 2.91 billion users, Facebook is a free social network that is the top choice for people wanting to share photos, videos, and stories with their connections.[52] Facebook is the most used social networking site by marketers, with 90 percent indicating using it for business. [53] Due to its dominance and well-developed platform, Facebook is usually the centre of a brand's social media program, and it accounts for most of its social media audience.

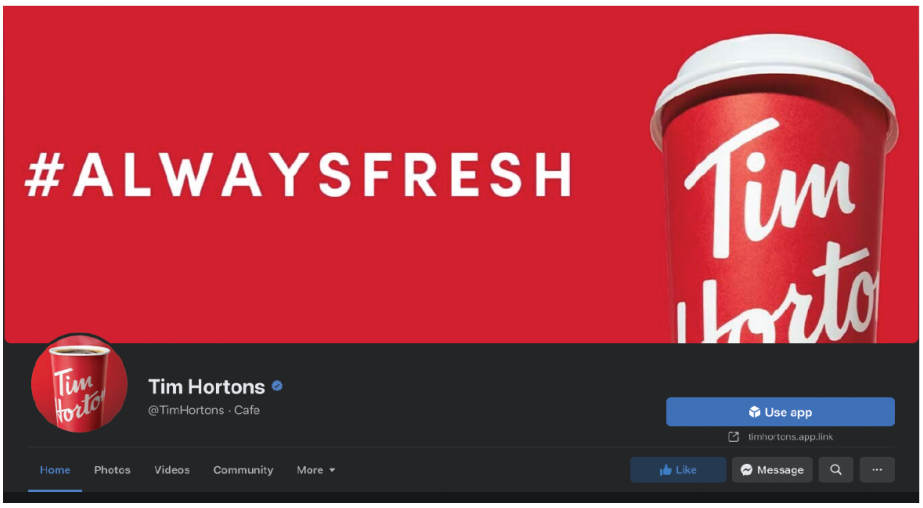
Facebook is a social network with three tracks. First, there is the *personal track*, which is how Facebook started, where users create a personal profile; add other users as friends; exchange comments, photos, videos, and "likes"; and receive updates through notifications in the News Feed feature.

Private messages can also be sent, a popular feature that is used to quickly message people without using email. Second, there is the *group track*, which uses Facebook Groups to allow Facebook members to create public or private groups where members are focused on a

particular interest, such as a high school reunion group or a group on pets, fitness, marketing, or an educational course.

Facebook Groups allow members to post comments to everyone in the group at once. Facebook Groups provide members with notifications and have the added benefit of allowing people to upload documents. Third, there is the commercial *page track* that allows artists, public figures, businesses, brands, and non-profits to create pages that people can like and follow to receive notifications and updates in their News Feed. **Figure 13–10** shows the components of Tim Hortons' Facebook page.

Figure 13–10 Tim Hortons' Facebook page



Tim Hortons

FACEBOOK AS A PROMOTIONAL TOOL

Facebook Pages are used by organizations and brands to engage consumers with relevant updates, news, and offers that may be of interest to its followers. Facebook is also an excellent vehicle for a brand to ask questions of its customers and to allow ongoing two-way communication. Facebook Pages are provided with Page *insights*, a term Facebook uses to describe the metrics it provides for Facebook Pages. Metrics include likes, posts, reach, engagement, and visits. These insights also show which posts have the most traction, and the aggregated demographic profile of its users, including gender, age, country, city, and language data.

Facebook Pages also provide page administrators with the ability to easily create and run ads on Facebook, with an area where images can be uploaded, and an interface to select the demographic that is being targeted by the ad. Administrators can select who will see the ad

by choosing relevant descriptors such as gender, age, language, interests, location, lookalike audiences (people similar to those who like your page or shop on your website), and budget.

Ads are paid for by a cost per click (CPC) or on a cost-per-thousand impressions (CPM) basis, and using a bidding system, you have an opportunity to budget your spend per day. Ads can be deployed automatically from this interface and will only appear to the demographic that was selected.[54]

Facebook Live launched live video-streaming capabilities to the Canadian market in spring 2016, and many marketers are interested in using live video more frequently. The use of live video can increase a brand's reach and in some cases, it could take less time than a written post. Marketers can use live video for a range of activities, including more personal communication with customers in response to questions or postings, or to promote upcoming events.[55]

On Facebook, the marketer's challenge is to post and create fresh, creative, and engaging content that will be shared by its followers. This is often done by providing interesting updates and posting offers, contests, and images. Marketers also purchase ads on this network to rapidly increase followers. Tim Hortons® has a large Canadian fan base on Facebook with over 3.4 million followers. Marketers can use some of the following tips to maximize consumer engagement (comments, shares, and likes) with their brand on Facebook:[56]

- *Post when engagement is the highest*, not when the most users are logged in.
- *Learn about your customers* and share content that your customers want to see, not just what you want them to see.
- *Learn from the past* which content perform strongest and create more.
- *Use photos/videos*, which are still the most posted and shared content. To make it even easier, post your Instagram photos to Facebook.
- *Engage by replying to comments.*
- *Create share-worthy content* with a headline that will grab attention.
- *Include a call to action* in your post by asking for a share, comment, or like.
- *Keep posts short*, between 0 and 50 words.



The #StraightOutta campaign was a partnership between Universal Pictures and Beats by Dre. It was the number one trending topic on Facebook and Instagram.

©Artem Kovalenco/Shutterstock

In order to promote its movie *Straight Outta Compton*, Universal Pictures and Beats by Dre launched the #StraightOutta campaign. This campaign started with over 100 celebrities from movies, music, and sports sharing their hometown using #StraightOutta and letting people know how their background influenced where they are today. An app was created to maximize engagement. People could upload a picture to the app and create their own custom #StraightOutta meme, highlighting their hometown and posting it to their Facebook timeline. Not only did celebrities get on board, but other companies jumped in to create their own meme. It became a true phenomenon, with Beat by Dre receiving 10 million shares. It was

also the number one trending topic on Facebook and Instagram—a feat that hadn't been achieved by any other brand.[57]

X

X is a free social media site for individuals and organizations to post and receive short newsworthy text updates—*tweets*—and links in 280 characters from accounts of interest, whether this be from friends, journalists, media outlets, brands, or experts that are followed. Its advantage is the speed with which people can scan updates and decide whether they warrant additional reading. In this way, people are updated on developments in areas of interest, whether this be for business purposes or related to a passion or hobby. X users can create lists, *favourite* tweets, send out other people's tweets through a *retweet*, and receive notifications recommending whom to follow. The platform encourages users to use hashtags (#) so that topics and conversations are searchable in the X database. X was home to 415 million global users in 2023.[58]

X AS A PROMOTIONAL TOOL

Organizations use X for customer service and marketing purposes. While Facebook is the platform of choice for unhappy customers, X is in second place, with 23 percent of consumers expressing their complaints with a company using X.[59] Companies can use analytics platforms such as Hootsuite to monitor the X landscape for brand and company mentions, to answer questions, and to respond to comments and suggestions in real time.

On X, brands post newsworthy content related to areas of expertise and engage brand advocates that have influential social networks. Brand tweets may be pre-planned and pre-approved to coincide with marketing events and integrated into marketing communication programs, while others may task social media managers with the responsibility to deploy real-time tweets that respond to opportunities and buzz. Some marketers also use X chats to profile their expertise and to build their following on social media platforms. These pre-scheduled chats revolve around a certain topic and occur on X by using a pre-determined hashtag to monitor the conversations. These chats are hosted by a brand that could pose a few questions for discussion or bring an influencer into the chat to engage customers.

Marketers can use some of the following tips to make their tweets stand out in the crowd:[60]

- Develop an *editorial calendar* and schedule events throughout the year.
- Create and reuse *graphic templates*.

- Use *videos and images* for X promotion.
- Use *X ads* that take the form of promoted accounts or promoted tweets. The advertiser pays only when followers are added or tweets are clicked, retweeted, or favourited, or when they result in a reply. Ads can be targeted by interest or by using your own email contact list.

Real-time marketing is a planned tactical approach where brands make themselves relevant online during events or newsworthy occurrences by diving into conversations as they occur with aligned short-term messaging that takes advantage of the current buzz. This concept was introduced in **Chapter 1**.

The best-known example of real-time marketing surfaced during the 2013 Super Bowl, when, during a lengthy power outage, Oreo cookies posted a tweet, "Power out? No problem," with a link to a visual showing an Oreo cookie with the caption, "You can still dunk in the dark." This real-time marketing tweet was retweeted almost 16,000 times, and generated over 20,000 likes on Facebook. This effort was not a fluke, Oreo had identified the Super Bowl as a focus and had a "command centre" set up, complete with marketers and advertising experts—with senior managers on call for approvals. In this manner, Oreo was ready and poised to respond to whatever situation presented itself.[61]

YouTube

YouTube is a free video-sharing social network owned by Google, used by people to discover and be inspired by interesting, entertaining, and informative videos. Today it has more than 850 million global users and is expected to reach 1 billion by 2026. YouTube has been launched in more than 130 countries globally. The platform allows users to create their own YouTube channels, subscribe to other channels, and to upload, watch, and share videos.

The platform also allows users to post comments and share videos across other social media sites, such as Facebook, X, and LinkedIn. YouTube is widely used by marketers who upload short films, how-to videos, and video ads on their products, relying on the platform to engage with storytelling. Marketers can also purchase advertising on this site.[62]

YOUTUBE AS A PROMOTIONAL TOOL

Marketers understand that YouTube provides a robust marketing tool: Brands can create YouTube channels, upload videos, access YouTube analytics, and purchase advertising. Marketers target ads on YouTube in the form of **banner ads**, sponsored/featured videos, or in-

stream video ads. They can also optimize their YouTube channels and videos for the search engines through the use of keywords.



YouTube is globally used and projected to grow in the years to come.

©TP/Alamy Stock Photo

“Marketers understand that YouTube provides a robust marketing tool.”

CocoMelon, a company that develops nursery rhymes and stories for children, has one of the most popular brand YouTube channels with 158 million subscribers and over 900 uploaded videos. Its main YouTube channel strives to connect with families with educational materials for preschoolers. Cocomelon seeks to engage its subscribers through engaging and educational programming for children. [63]

In a few instances, marketers use YouTube to upload videos that are designed to go *viral*. This is generally a carefully orchestrated approach that involves creating catchy content that is often humorous or very creative to appeal to a wide audience that will quickly view, share, and rate the video, sending it to the top of YouTube’s recommended videos, which will immediately boost its popularity.

Building on its “Red Bull gives you wings” slogan, Red Bull orchestrated the Red Bull Stratos Project. The Stratos videos are thought to be the most successful viral videos in history. Eight million viewers tuned in to watch Felix Baumgartner jump from a capsule 24 miles (38.6 km) above the Earth, breaking the sound barrier and a world record for the highest jump.

Not only did YouTube views break records, but longer term, the Red Bull YouTube channel subscriber base jumped. Social media engagement included over 900,000 Facebook interactions, and 83,000 shares. On X, **@redbullstratos** received over 20,000 mentions in two days. It is estimated that the video could have reached up to 50 million people.[64]



Red Bull has one of the most popular brand YouTube channels.

©EvrenKalinbacak/Shutterstock

Instagram

Instagram is a free social network that is owned by Facebook. It is a mobile app that is the world's largest photo-sharing site, with over 1.35 billion users worldwide in 2023, active users who quickly and easily share their lives through photos and short videos that are taken with a mobile device, instantly adding filters and captions to customize the image before it is shared. Instagram's interface is very simple and allows users to add comments and likes, as well as use hashtags for easy search. Users can connect accounts to other social media sites so that images seamlessly appear on Facebook or X—an element that makes Instagram very popular. Instagram is quickly being recognized by marketers as an essential tool to share visual content.[65]

INSTAGRAM AS A MARKETING TOOL

Instagram can be used by marketers to post interesting behind-the-scenes footage from events, as well as stunning product shots and contests. Hashtags and captions can be added that invite people to engage with the brand by adding comments, liking the image, and posting their own images of the brand. Visual brands do well on Instagram: GoPro uses Instagram to showcase the adventures that can be captured on the GoPro camera. It posts stunning images of sand dunes, underwater vistas, and off-road adventures.[66] Marketers can build a more engaged Instagram following by observing these tips:[67]

- Include a *call to action*. Coca-Cola could ask their followers which flavour of Coke they prefer of the Coca-Cola Freestyle choices.
- *Leverage hashtags* that are already relevant to your audience. For example, #photooftheday is a commonly used hashtag on Instagram, Facebook, and X. You may also consider using

hashtags familiar to a particular interest. The #thesweatlife, is commonly utilized by a variety of fitness companies and fitness enthusiasts.

- *Share your Instagram posts* on X, Facebook, and Snapchat.
- *Post at the right time*. Post when your audience can engage with your content. The use of Instagram tends to peak during off-work hours.

LinkedIn

LinkedIn is a freemium (some services are free, and others require payment) business networking social media site for professionals that was launched in 2003. It has over 930 million global members in over 200 countries and territories.[68]

LinkedIn is free for its basic usage, which allows members to create professional profiles, connect to their network of business people, join business-oriented groups on particular interests, and use its job-search function to see recent job postings and company profiles. A free membership also allows members to post and share updates, endorse individuals, write recommendations, add comments, like articles, answer questions, contribute to discussions, follow companies, view profiles of individuals in their network, and see basic information on other LinkedIn members.

Premium LinkedIn services are offered for a monthly or annual fee and include upgraded services that range in price for recruiters, job seekers, and business professionals. These services include, among others, advanced search, increased email capacity, and extended profile access. A premium service for job seekers moves a person to the top of a recruiter's list, provides comparisons with other applicants, and gives advice through its job seekers' group where webinars can be accessed. For a fee, companies on LinkedIn can post job openings and receive real-time analytics on who has viewed the posting as well as profiles on the applicants.

> *"LinkedIn services include upgraded services that range in price for recruiters, job seekers, and business professionals."*

LINKEDIN AS A PROMOTIONAL TOOL

In the business-to-business market, LinkedIn can be used as a successful marketing tool. It is used by organizations to profile their expertise and to target individuals, companies, and sectors who may be interested in their services. On the marketing front, LinkedIn allows

companies to create company pages, access visitor analytics, and create groups that profile certain areas of interest or expertise. Companies can also run ads on LinkedIn with razor-sharp targeting, whether this is a job posting, a branded display ad, or a sponsored story.

LinkedIn has the advantage of having fewer distractions than the other social networks as it is focused on business and work-related topics. LinkedIn display ads and sponsored stories are on a cost-per-click or a cost-per-impression basis. These ads can target by location, keyword, and interest. They stand out for business-to-business marketers in that they also target by company, job title, job function, and group, which can result in very high-quality responses and business leads.



LinkedIn is widely used by businesses to establish credibility.

Evan Lorne/Shutterstock

LinkedIn has 21 million users in Canada. Organizations leverage LinkedIn as they recognize the opportunity to use LinkedIn to share company values, expertise, and updates with current and potential customers. Marketers can use some of the following tips to increase engagement on their company pages:[69]

- Make the *headline* stand out.
- Post *videos*.
- Use *sponsored updates* to extend your reach beyond current followers.
- Leverage *company page analytics* to understand trends and optimize your content.
- Include your logo and an *impactful banner image* on your company page.

Social Media Marketing Example: Stranger Things*

Facebook	"Like" if you're addicted to *Stranger Things.*
X	Netflix releases season 5: #strangerthings
YouTube	See Netflix trailer for *Stranger Things*, season 5.

LinkedIn	Spruce up your networking skills by joining the LinkedIn group for *Stranger Things* addicts.
Instagram	Post a selfie watching #strangerthings.
Pinterest	Find a map showing how to get to the Upside Down in *Stranger Things*.

* This is a hypothetical example.

Critical Thinking for Marketing

1. *How can marketers use Instagram to build brand awareness?*
2. *Why is Facebook such a popular networking site for deploying marketing campaigns?*
3. *Why is YouTube such a powerful tool to use?*

Best Practices in Social Media Marketing

The rapid adoption of digital technology and social media provides a great opportunity for marketers to develop strong customer relationships, improve their brand image, and help give customers the ability to engage with the brand.

Creating and Measuring Social Media Marketing Programs

Marketers need to carefully plan their social media marketing efforts to ensure that they are supportable and measurable, and can help drive brand engagement with a positive return on investment.

Creating Social Media Marketing Programs

Marketers can start the process of building social media programs into their marketing initiatives by answering the questions outlined in **Figure 13–11**, which will help steer content and the tools of engagement. Questions refer to a range of elements such as understanding a company's social media policies, selecting which social networks are appropriate for a brand, and determining an analytics platform to monitor, measure, and deploy social media programs, as well as many other important elements.

Figure 13–11 Planning social media marketing

Answer these questions to help steer your social media marketing programs:

SOCIAL MEDIA MARKETING QUESTIONS

1. What are your company's social media policies and guidelines?

2. How does your target market use social media and what drives engagement?

3. How can social media be integrated into other brand marketing programs?

4. What type of content is suitable for your brand on your selected social media sites?

5. Who will be creating social media content for your brand and what is the budget?

6. What are your daily/weekly targets for social media posts and interactions?

7. Who will be running and monitoring the social media programs?

8. What analytics platforms will be used to monitor, measure, and evaluate social media programs?

9. What social media networks are appropriate for your brand and target group?

Source: Adapted from Jay Shemenski, "The 3 Types of Social Media Metrics that Matter to You," SimplyMeasured [blog], December 1, 2016, http://simplymeasured.com/blog/the-3-types-of-social-media-metrics-that-matter-to-you/#sm.00000k61g84uecztxyp1birlwcur0.

Measuring Social Media Marketing Programs

Social media monitoring and analytics platforms have surfaced to help marketers measure success in this environment. Social networks, such as Facebook and X will often provide marketers with analytics on their accounts. Third-party social media analytics and monitoring tools have surfaced to help marketers measure and manage multiple social media platforms, an important consideration since many brands engage across multiple platforms.

Social media analytics and **social media monitoring** software vary by provider, but generally identify online brand mentions and monitor consumer sentiment, buzz, engagement, and amplification. These platforms often allow marketers to respond in real-time to customer questions and complaints, to pre-schedule posts, and to identify brand advocates with strong influence scores that can amplify and spread positive brand messages. Social media monitoring tools also exist, such as Hootsuite, which allows a marketer to track a brand's social media activity across social networks, including X and Facebook.

Marketers should develop a set of engagement and performance metrics that are manageable and actionable. **Figure 13–12** lists some of the frequently monitored metrics used to determine the success of a social media campaign. **Engagement metrics** measure how, how much, and how often consumers interact with social media content. Marketers can fairly easily track measures such as followers, likes, comments, shares, clicks, and views. Much of this data is available on the social media platform being utilized.

Figure 13–12 Social media metrics

Engagement Metrics	Optimization Metrics
• Followers • Reach • Comments • Likes/Unlikes • Shares	• Click through rate (CTR) • Cost per click (CPC) • Cost per thousand (CPM) • Cost per acquisition (CPA) • Cost per conversion

Engagement Metrics	Optimization Metrics
• Views • Clicks • Sentiment • Buzz • Engagement • Brand awareness • Share of voice	• Conversion rate • Retention rate

Source: www.slideshare.net/DataReportal/digital-2019-canada-january-2019-v01.

Optimization metrics provide data that can point to adjustments or changes that should be made to your social media program. Generally, marketers will look at **cost per thousand (CPM)**, the cost of reaching 1,000 people; **cost per acquisition (CPA)**, the cost of acquiring a new follower or sale; and **cost per click (CPC)**, the cost of getting someone to click on a link, image, or advertisement.

Best Practices

Brands need to be seen as a trusted source of information on all platforms, and they need to use social media to connect. Organizations and brands are advised to use the following best practices when starting to use social media:

- Obtain senior management commitment.
- Set company-wide governance for social media.
- Create detailed social media policies, guidelines, and rules of engagement.
- Set clearly defined and measurable social media marketing objectives.
- Select a platform that will be used to deploy, monitor, and measure social media activity.
- Identify the social networks that will be used.
- Establish metrics that will be used to evaluate approaches.
- Dedicate, train, and hire social media marketing experts.
- Understand that negative comments will surface on social networks and plan to handle them.
- Realize that mistakes will be made.

- Integrate social media programs into marketing practices.

“Brands need to be seen as a trusted source of information on all platforms, and they need to use social media to connect.”

These best practices will help organizations and brands reflect brand images and authentically communicate through multiple social networks. These best practices will also help organizations plan for negative situations that may surface and flag when scenarios should be escalated to a senior level. Social media marketing should be integrated into paid, owned, and earned media programs so that it positively impacts on the consumers’ path to purchase.

Critical Thinking for Marketing

1. *What two type of metrics are used to measure social media marketing programs?*
2. *Which five of the best practices outlined would you prioritize for any organization?*

The Mobile Marketing Landscape

The Mobile Market

LO 11 Mobile has become a driving force in marketing, a central connector to other forms of media. It is used by consumers to communicate, to gather information, and to be entertained. It is a pillar in a multi-screen era where consumers connect in and out of home using portable devices such as tablets and smartphones, and use them to complement desktop/laptop usage and TV viewing. Mobile devices are no longer accessories, but tools that help manage daily lives.

Global data tell us that by 2025, there will be 5.86 billion unique mobile subscribers.[70] Unlike other platforms, mobile devices are personal, portable, and usually on. They accompany us in the home, at work, and into our social spaces. They help manage our lives in real time, letting us access messages, set reminders, email, text, and update calendars. They entertain us with photo apps, video viewing, and social networking. They help us find local restaurants, read product reviews, and shop for products.

Importantly, people use mobile devices to help in the path to purchase. People check mobile devices multiple times a day, providing numerous touch points for marketers to engage on this journey. Whether comparing product prices, looking for a store location, researching product features, or purchasing products and services, mobile devices have become relevant in the consumer path-to-purchase. Unlike other marketing tools, mobile marketing allows marketers to communicate directly with consumers at the point-of-purchase, which can be persuasive and compelling.

Mobile marketing is defined by the Mobile Marketing Association (MMA) as "a set of practices that enables organizations to communicate and engage with their audiences in an interactive and relevant manner through any mobile device or network."[71]

Mobile Devices

The mobile industry is complex due to the wide range of handsets, screen sizes, operating systems, browsers, and products that exist in this space. Devices include feature phones, smartphones, tablets, wearables, Internet-enabled handheld gaming devices, and ereaders.



A wide range of mobile devices are available to keep consumers connected.

blackzheep/Shutterstock

A **smartphone** is an advanced cell phone that has similar functionality to a personal computer in addition to taking pictures, playing music and movies, offering GPS navigation, and using apps to enhance its features and capabilities.[72]

Smartwatches and other wearables are becoming very popular due the number of brands entering the market and the ease of use. The wearable electronics market in Canada has been growing rapidly, with 31 percent of the population wearing devices in 2022. **Wearables** are devices that can be worn, either on clothes or on the body. They include smartwatches, health care monitors such as the Fitbit, and smart clothing.[73]

In 2021, there were over 33 million mobile subscribers in Canada, with numbers expected to continue to climb.[74]

Consumers and Mobile Devices

According to **Figure 13–13** from Statista, retail ecommerce sales will continue to grow into the late 2020s.

Figure 13–13 Ecommerce sales in Canada

Retail ecommerce sales in Canada, 2022–2027 (US$billions)	
2022	52.17
2023	62.12
2024	71.70
2025	82.82
2026	87.93
2027	94.14

Source: www.statista.com/statistics/289741/canada-retail-e-commerce-sales/.

“Mobile devices have become relevant in the consumer path-to-purchase.”



What is “showrooming”?

Eva Katalin Kondoros/Getty Images

The widespread use of smartphones at retail is prompting a new consumer shopping habit known as *showrooming*, the practice of using mobile devices in-store to check competitive online product reviews and prices and to then purchase the cheaper product online. Marketers note that mobile devices are taking the store out of the store and making shopping accessible on the go, all hours of the day, and every day of the week.

Critical Thinking for Marketing

1. *What is mobile marketing?*

Mobile Marketing Tools

Mobile marketing provides marketers with a platform for one-to-one personalized communications where targeting can be more precise, not only demographically but also by device, by interest, and in real time by exact location. Marketers note that consumers carefully guard their mobile devices and are cautious about inviting marketers in. Marketers are therefore advised to follow best practices, provide added value, show respect for the privacy of the mobile user, and in all instances, follow regulatory guidelines and ethical approaches. Remember that in most instances, consumers need to opt in to receive mobile messaging, so unless a mobile marketer can provide exceptional value and interest, a marketer will not want to opt in to your messages.

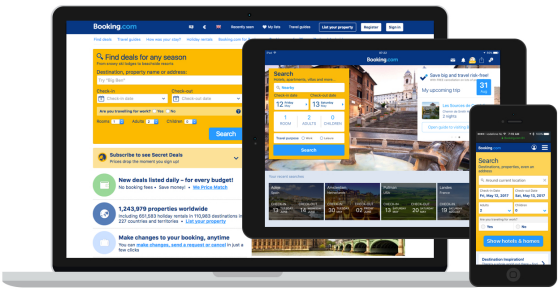
Here we examine the mobile marketing tools that are used to engage consumers: mobile web and mobile applications (apps).

"Consumers carefully guard their mobile devices and are cautious about inviting marketers in."

Mobile Web

Websites that render on mobile devices need to be fast and functional and easier to use than a brand's desktop website. People do not want to scroll across screens on small mobile devices or pinch and zoom to read content. Mobile websites are created and designed for the smaller mobile screen with screens that load quickly, display clearly, and offer unique mobile features that satisfy the goal-oriented mobile user. **Mobile web** is when a website is designed for the smaller screens of mobile devices.

With 54.4 percent of Internet users using mobile phones to buy online and 59 percent of shoppers considering it important to be able to shop via a mobile device in deciding where to purchase goods, companies are understanding the importance of having a mobile website that is functional, engaging, and user-friendly.[75]



Booking.com has a functional, yet appealing mobile website, mobile app, and tablet interface.

Used with permission of Booking.com B.V.

It has been shown that companies use one of three approaches with mobile web. They can optimize a desktop website for the mobile web by using responsive design platforms that offer flexible layouts, flexible images, and flexible file options so that websites automatically adjust and resize to render on mobile devices. Alternatively, they can design separate mobile websites with streamlined content and finger- and thumb-friendly navigation. The third option uses a combination of these approaches.

Some companies will create three different interfaces: one for a desktop site, which is information rich; one for tablets, which has heavy image-based content; and one for smartphones, which has less content and fewer images. Booking.com has a mobile site that is a variation of its desktop website, focused on providing the tools necessary for a customer to search for a hotel immediately upon landing on the page. Information is plentiful while the functionality and visual appeal is still strong.[76]

Mobile Applications (Apps)

Mobile applications (apps) are software programs designed for mobile devices so that with a quick tap or click, they engage with information, entertainment, or other forms of interactivity. They are expected to exceed $935 billion in revenue in 2023. It is estimated that Google Play has 2.87 million apps available for the Android platform and the Apple App Store has 1.96 million. While there has been significant growth in the number of apps available to users, Canadians are more selective about which apps they use. The top Canadian apps types are: Internet browser, email services, and social media apps. Competition is fierce for the mobile consumer, reinforcing the need to provide value and quality to ensure app retention.[77]

Leading Android Apps in Canada by Downloads (September 2022)

1. TikTok
2. Stumble Guys
3. WhatsApp Messenger
4. Epic Heroes - Save Animals
5. Survivor.io
6. Snapchat
7. Instagram
8. Messenger
9. Carrier Services
10. YouTube Music

Source: www.statista.com/statistics/702392/leading-android-apps-by-downloads-in-canada/#:~:text=In%20September%202022%2C%20TikTok%20was,downloads%20from%20Canadian%20Android%20users.

The most popular apps are for social networking, weather, maps, gaming, YouTube, and banking. Apps are most likely to be downloaded when they are recommended by friends and family, if they sound interesting and fun, if the user is familiar with the company or brand, and if they have an exclusive offer. Most consumers expect apps to be free.[78]

"The most popular apps are for social networking, weather, maps, gaming, YouTube, and banking."

Apps can be free or paid, and can also host ads, sell products, or just provide content. They are downloaded from online device-specific app stores. App developers pay small annual fees to these app stores, and typically pay a commission to the app stores from the revenues generated from the app (downloads, product sales, or ad revenues).

Technically, three types of apps can be created for marketing programs: (1) native apps, (2) Web apps, or (3) hybrid apps. Depending on the choice, the app creation can become more or less expensive for marketers. For the end user, it is the app functionality that is important,

and most users will not understand the nuances between these types of apps. Marketers, however, need to understand the differences:

- **Native apps** are created specifically to be hosted and run on a mobile device. They are downloaded from app stores and reside on mobile devices. They can provide a rich experience by interacting with mobile features such as the device's GPS, camera, or notification system. They can also work offline. Technology differences dictate that separate native apps need to be designed for iOS, Android, Windows, and BlackBerry devices. This can be an expensive undertaking.
- **Mobile Web apps** are websites designed to simulate a native app experience. They run off browsers rather than the actual mobile device, and ask users to add a shortcut to the home screen. They can therefore run on any platform, making them cheaper to develop. The user experience is not as rich as on a native app, as these apps do not interact with the mobile device features. These apps do not pay app store developer fees, do not require app store approval, and do not share revenue with the app store.
- **Hybrid apps** combine the superior functionality of a native app with the flexibility of a Web app. They can interact with mobile features, but render in a browser and so can be used across mobile platforms with minimal changes and therefore lower costs. Hybrid apps are generally cheaper to develop than native apps as they require minimal development changes for cross-platform use. Typically, hybrid apps do not provide the same rich experience as native apps, but they are becoming increasingly popular.[79]

Starbucks is seen to have the premier branded mobile app. Starbucks was one of the first brands to initiate a mobile loyalty and payment system for its customers. With its Mobile Order and Pay system, a customer can open the app, decide on an order from the hundreds of options at Starbucks, pay for the order, and even tip the barista before arriving at the store. Once the customer arrives at the store, they can fast-track past the line and pick up the order without delay. The mobile payment system has been so successful that it is expected the app will account for 50 percent of all Starbucks transactions in the next few years.[80]



Starbucks is seen to have the premier branded mobile app.

Nata Fuangkaew/Shutterstock

The functionality exists on many apps for consumers to be sent push notifications on their mobile phone. **Push notifications** are content that is sent to a mobile device. For example, the Weather Network allows users to select what type of weather notifications they would like to have sent to their phone. According to Canada's Anti-Spam Legislation (CASL), consumers must opt in to consent to receive push notifications, and marketers must provide a clear method for consumers to unsubscribe or opt out.

"The functionality exists on many apps for consumers to be sent push notifications on their mobile phone."

Critical Thinking for Marketing

1. *What types of apps exist and how do they differ?*
2. *What are the most popular apps that consumers use?*

Mobile Marketing Regulations and Best Practices

Mobile Marketing Regulations

The mobile marketing industry is regulated by the same guidelines that apply to the marketing industry in general, but with the addition of further regulations for mobile marketing practices. In this manner, the regulations, guidelines, and policies discussed in **Chapter 2** all need to be followed. Mobile marketers need to be keenly aware of Canada's privacy legislation as well as Canada's anti-spam legislation (CASL).

In the mobile space, the Canadian Radio-television and Telecommunications Commission (CRTC), the Canadian Telecommunications Association (CTA), and the Mobile Marketing Association (MMA) have additional regulations and codes of conduct to protect consumers and to help standardize the industry. The mobile marketing industry is rapidly changing, and so, in all instances, marketers are strongly advised to obtain regulatory updates and to consult with marketing lawyers and mobile marketing experts to ensure that approaches adhere to regulatory and legislative updates.

The Wireless Code

In mobile marketing, the CRTC regulates the Wireless Code. This was introduced in 2013 as a mandatory code of conduct for all wireless service providers. It ensures that wireless contracts are easy to understand and that contracts can be cancelled after two years.[81]

For more details on the CRTC Wireless Code, navigate to **www.crtc.gc.ca/eng/phone/mobile/code.htm**. Complaints against wireless service providers can be lodged at the website for the Commissioner for Complaints for Telecommunications Services at **www.ccts-cprst.ca**.



The CRTC Wireless Code helps protect consumers.

CRTC

Common Short Code (CSC) Guidelines

These guidelines are administered by the CTA to provide direction on CSC pricing and marketing practices. Mobile marketers must provide participants with mandatory keyword protocols (STOP/ARRET to stop participation, HELP/AIDE to access information on terms of use and privacy policies, and INFO to retrieve company and customer service information). In addition, consumers must double opt-in to some premium subscription CSC programs and be informed of its terms, conditions, and pricing.[82] Updates on CSC regulations can be found at **www.cwta.ca** and **www.txt.ca**.

The MMA Global Code of Conduct

The MMA Global Code of Conduct is administered by the Mobile Marketing Association, which guides the industry with standards, guidelines, and best practices. The MMA has over 800 members and is represented in nearly 50 countries. The MMA Global Code of Conduct specifically notes that privacy policies and terms and conditions must be clear, and opt-in and opt-out protocols must be used. Messaging should be limited to its initial purpose, personal data must be protected, and all MMA members must demonstrate compliance with the code.[83] You can find out more about the MMA and its code of conduct at **www.mmaglobal.com**.

Mobile Marketing Best Practices

The mobile marketing industry is rapidly changing, with new technologies, devices, and regulations. Best practices start with marketers abiding by marketing regulations and using a mobile-first approach to make connections. A mobile-first approach means that mobile becomes a central element in a marketing program and is integrated throughout the consumer path to purchase. Mobile is not added as an afterthought, but instead it is integrated into marketing programs from the start.

> *"A mobile-first approach means that mobile becomes a central element in a marketing program."*

Best practices also use market research to stay abreast of how technology impacts consumer behaviour and to learn how mobile devices are integrated into daily lives. Changes in shopping habits are noted and mobile analytics programs are used to glean insights on how best to approach, engage, and connect with consumers.

The Mobile Marketing Association (MMA) advises mobile marketers to keep the following best practices in mind:[84]

- Think *mobile first* and start with a mobile perspective.
- Generate *creative specifically for mobile*.
- *Communicate across multiple screens* to create a seamless experience as consumers switch between devices.
- *Target your audiences* more specifically using the rich dataset available from mobile interaction, including location.
- *Utilize a full spectrum of mobile tools* to interact with consumers.
- *Integrate mobile marketing programs* into traditional marketing campaigns.
- *Offer great service*, functionality, and benefits.
- *Leverage every stage of the path-to-purchase*, understanding that mobile is used for search and discovery as well as connecting and purchasing.
- Test your way to success by *tracking, measuring, and making adjustments* to improve results and ROI.

Critical Thinking for Marketing

1. *Which associations and commissions regulate mobile marketing in Canada?*
2. *What best practices have surfaced in mobile marketing?*

Summary...just the facts

LO 1 • Marketing communication tools, also referred to as the promotional mix, consist of advertising, public relations, sales promotion, direct response marketing, event marketing and sponsorship, product placement and branded entertainment, personal selling, online marketing, social media marketing, and mobile marketing.

LO 2 • Advertising is a paid form of media used for non-personal communication to consumers about an organization, good, service, or idea.

- Advertising uses different message appeals such as: fear, sex, and humour.
- Advertising options include: TV, radio, magazines, newspapers, search engine marketing, online display advertising, mobile advertising, social media advertising, email marketing, outdoor, and direct mail.

LO 3 • Product placement is the inclusion of a product in a movie or TV program, or the creation of an entire movie or TV episode around a brand, which is referred to as branded entertainment.

LO 4 • Sales promotion is a communications tool that provides short-term incentives to generate interest in a product or cause and encourages purchase or support.

LO 5 • Personal selling involves the two-way flow of communication between a buyer and seller, often face-to-face or facilitated through communication devices, to influence an individual or group purchase-decision. The sales process includes prospecting, pre-approach, approach, presentation, close, and follow-up.

LO 6 • Public relations initiatives include press releases, press conferences, special events, company reports, and the use of social media releases.

LO 7 • Direct response marketing tools include direct mail, catalogues, telemarketing, and direct response advertising on TV, radio, and print, as well as email marketing and social media interactions.

LO 8 • Event marketing and sponsorship refer to the involvement of a brand in an event through either an advertising package or on-site involvement.

LO 9 • The Internet has a number of unique online tools including websites and microsites, search engine marketing, influencers, and word-of-mouth marketing.

LO 10 • Social media marketing is when brands reach out to consumers online through social networks where people connect with friends and contacts to share comments, articles, opinions, videos, and images as a form of self-expression.

- On social media networks, brands post updates and offers, join online conversations, respond to questions and comments, and use metrics to measure performance and engagement.
- Brands can place ads on social networks that accept advertising.
- The main social networks used in Canada for marketing purposes are Facebook, X, YouTube, Instagram, and LinkedIn.
- The best social media marketing practices include obtaining senior management commitment, setting company-wide governance, creating detailed social media policies, setting clearly defined and measurable social media marketing objectives, selecting social networks that will be used, establishing metrics, utilizing social media marketing experts, planning to handle negative comments, realizing that mistakes will be made, and integrating social media programs into marketing practices.

LO 11

- Mobile marketing is a set of practices that enables organizations to communicate and engage with audiences in an interactive and relevant manner through any mobile device or network.
- Mobile marketing provides marketers with an additional platform to communicate with consumers one-to-one. It can target by location, by device, by interest, and by demographic.
- Mobile platforms are changing consumers' path to purchase with mobile devices used to gather information, to engage with brands, to make decisions, and to purchase products.
- Mobile marketing uses a variety of tools, including the mobile Web and mobile apps.
- Best practices for mobile marketing advise marketers to think mobile first, and to plan programs across devices and screens by using multiple mobile tools that can integrate offline and online approaches.
- Standard marketing regulations in Canada also apply to mobile marketing.
- Specific mobile marketing regulations are administered by the Canadian Radio-television and Telecommunications Commission (CRTC), the Canadian Telecommunications Association (CTA), and the Mobile Marketing Association (MMA).

Key Terms and Concepts...a refresher

advertising

banner ads

bluetooth

branded entertainment

blog

common short codes (CSC)

consumer promotions

corporate websites

cost per acquisition (CPA)

cost per click (CPC)

cost per thousand (CPM)

direct response marketing

email marketing

engagement metrics

event marketing

geofencing

hybrid apps

influencer marketing

lead generation

marketing communication tools

matrix 2D barcode

microsites

mobile advertising

mobile check-in services

mobile discovery

mobile email

mobile messaging

mobile applications (apps)

mobile Web

mobile Web apps

multimedia messaging services (MMS)

near field communications (NFC)

native apps

optimization metrics

out-of-home (OOH) advertising

pay-per-click advertising (PPC)

permission-based email

personal selling

press conference

press release

product placement

promotion mix

promotional websites

public relations

publicity

push notifications

sales promotion

search engine marketing (SEM)

search engine optimization (SEO)

short messaging services (SMS)

smartphone

social media analytics

social media monitoring

social media release

sponsorship

trade promotions

traffic generation

transactional websites

user-generated content (UGC)

vlog

wearables

Wi-Fi hotspots

wiki

word-of-mouth marketing

Hands-on... APPLY YOUR KNOWLEDGE

Social Media Marketing Assignment Pick your favourite brand and conduct a digital media audit for that brand. This involves monitoring which networks the brand is active on, the types of content posted on each network, and the level of consumer engagement. Based upon your research, do you believe that your favourite brand has a strong social media presence? Why or why not?

Chapter Vignette… ACTIVITY

This chapter’s opening vignette outlined The McDonald's Chicken Big Mac IMC campaign utilizing multiple tactics. Brainstorm additional social media and mobile elements that you would add to the campaign to create more touch points with the target audience.

Marketing YOU

Digital communications tools are used for marketing purposes and ensure an integrated brand message. Likewise, you have an opportunity to develop and promote your own brand message with the same tools that are available to marketers. The social media platforms such as LinkedIn, Facebook, X, Instagram, TikTok, Pinterest, and YouTube are available and open to you to use.

Marketers want the organization's product or service to be found—in your case, you want to be found by employers that are searching to hire someone with your skills, knowledge, and experience. Your social media profiles are a great way to profile your digital marketing abilities, your accomplishments and your creativity.

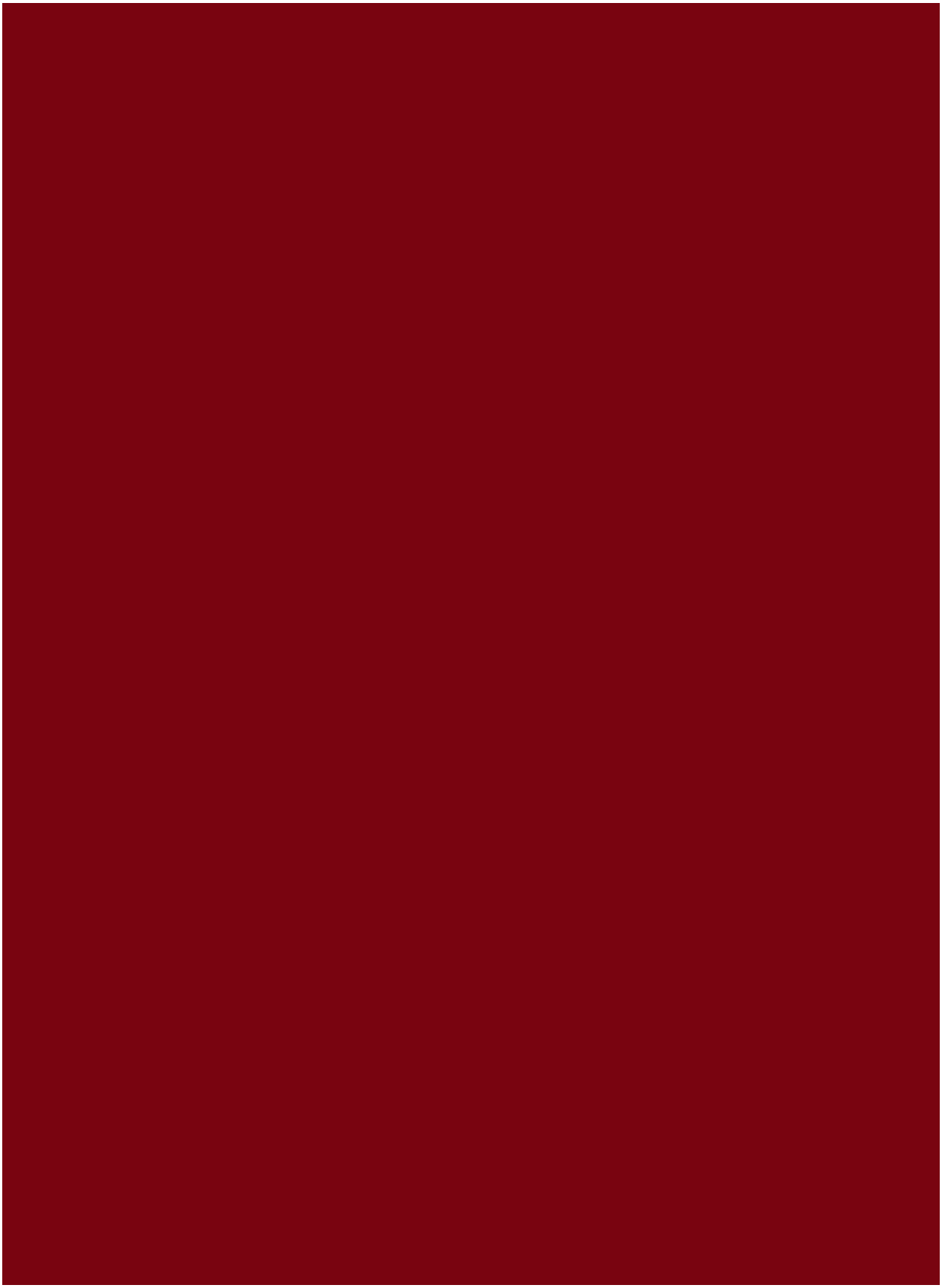
Many employers looking to hire you, will review your social media accounts. These are your "owned media channels." You can intentionally use your social media channels to highlight aspects of yourself. You can demonstrate to employers your digital communications skills through posts that highlight what you are good at and what you love.

Building your own online profile or brand requires you to decide how you want to present yourself. This includes deciding which accomplishments, contributions, and skills you wish to share. An example might be creating a blog to demonstrate to potential employers that you have excellent design and content creation talents. You could share online your expertise in a subject that you are interested in. You could create content to post such as a research paper, an infographic, a vlog, a how-to video, an ebook, a monthly blog, or an enewsletter.

Activity:

Review your current social media accounts from an employer's point of view. Are you conveying the messages that you wish to send to employers? Ask a friend to review your social media accounts and ask them for feedback.

1. If you were to set up a secondary Instagram account to highlight an interest or hobby of yours, what might the topic be?
2. If you could share your expertise, either via a written blog or via a video on TikTok or YouTube, what might the subject be?



Chapter 14
Customer Relationship Management



stockphoto-graf/Shutterstock

LEARNING OBJECTIVES

- **LO 1** Define the concepts of customer relationship management (CRM) and customer experience management (CEM)
- **LO 2** Discuss the role of social media in CRM
- **LO 3** Describe customer acquisition and customer retention, as well as examples of various loyalty programs
- **LO 4** Define *database marketing*, *data mining*, and *customer lifetime value*, and explain why each is important

LO 5 Explain the worth of retaining marginal customers and outline the process of customer reacquisition

CHAPTER OUTLINE

- The importance of relationships
- Customer relationship management (CRM)
- Social media and CRM
- Customer acquisition and retention
- Database marketing
- CRM and customer reacquisition

CHAPTER FEATURES

Made to Order

Explore how Starbucks Canada uses customer relationship management to its advantage.

Sustainable Sales

Learn how Salesforce is championing sustainability.

As technology continues to provide efficiency in business, small- to mid-sized businesses prefer a more personal touch. Although all meetings and communications do not need to be in person, a good customer relationship management strategy offers a variety of options for a business to connect with its clientele.

Founded in 2005 and based in the Greater Toronto Area (GTA), The Paint Channel Corporation is one of Canada's leading manufacturer's representative firms (sales agency) catering to the Canadian paint and hardware markets. The Paint Channel's president, Dennis Kwasnicki, is the primary contact of support sales for his clients.

As an intermediary, Kwasnicki needs to manage relationships with both the customers he serves and the manufacturers he represents. Because he is an essential part of the supply chain, Kwasnicki's customer relationship management skills need to be at their best.

"Everyone wants your time," says Kwasnicki, "You are juggling relationships, and you don't want to let anyone down." The importance of Kwasnicki's business is the end consumer, so one might think that is where all his time in spent. "Losing a product line or two teaches you to keep strong manufacturing relationships as well." The manufacturers hire The Paint Channel to represent them, and Kwasnicki ensures they are represented well.

The Paint Channel's mission is to "understand the meaning of quality." It prides itself on representing brands that are world class and leaders in their respective categories. The Paint Channel's objective is to represent all major paint-related categories by supplying brands that are identified with and appreciated by their end users.

The Paint Channel began with one line: 3M Canada (abrasives, adhesives, and safety). Over the next eight years, the company grew to include five category-leading product lines, and The Paint Channel established itself as a major player in the Ontario paint market. In 2014, 18-year paint industry veteran Dennis Kwasnicki purchased The Paint Channel and developed a customer relationship management culture. Existing product lines were cultivated by deepening relationships, and new complementary lines were added as The Paint Channel entered into a new decade serving the Canadian paint and hardware markets.

Having sales representatives to promote a product can help increase the uptake from customers. The investment required to offer dedicated sales representatives requires a good return to a business in the form of sales. Since the limited sales of many of the product lines Dennis represents do not warrant a dedicated sales representative, businesses look to this for a more effective cost-effective sales approach.

To represent quality and keep his customers and suppliers happy, Kwasnicki developed a basket of products from different manufacturers that complement, but do not compete with one another. But from ladders to paint shakers to wallpaper paste, The Paint Channel is responsible for product placement, promotions, and training store staff on new products.

“Relationships are the most important facet of a business,” says Kwasnicki, who builds new relationships by attending contractor events and national trade shows on behalf of manufacturers. “Managing new business relationships can be challenging,” he continues. “There are always other representatives and competition trying to meet your customers.” Kwasnicki staves off the competition by connecting with business contacts on a personal level. Once conversations go beyond the business solution, relationships are further cemented.

One of The Paint Channel's key products is from Daich Coatings Corporation, a Canadian formulator and manufacturer of architectural, specialty, and industrial coatings. The company was founded in 1991 by Peter Daich and is located in Hamilton, Ontario, operating from a 54,000 square foot manufacturing facility.

Kwasnicki likes representing this brand because the company is innovative and continues to develop products that have decisive performance advantages. Daich Coatings is also eco-friendly, making it a great organization to represent.

Building a connection is the goal of customer relationship management. Most of Kwasnicki’s success is due to the fact that he is present for his customers. Although Dennis understands Pareto’s Rule, he recommends organizations make time to stay connected with the 80 percent of customers that generate 20 percent of the business. That relationship can lead to additional opportunities and stronger relationships over time.

The Paint Channel’s customer relationship management process prioritizes customers into monthly, bi-monthly, quarterly, and semi-annual categories. Call frequency is influenced by geographic location or categorized by potential revenue opportunity. Of the manufacturers Kwasnicki represents, six out of eight lines are members of the CanPro buying group. This buying group creates buying power for independent paint stores, including discounted pricing with manufacturers, yearly rebates, and annual shows for manufacturers to connect with these members to show new products. All contacts and next steps are part of a customer relationship management strategy that has served The Paint Channel and its customers well for years.[1]

reality CHECK

As you read Chapter 14, refer back to The Paint Channel vignette to answer the following questions:

- The Paint Channel has shown customer relationship strategies for B2B marketing. How do some of

these strategies parallel to consumer buying?

- What other strategies do you believe The Paint Channel could put into place for its customer relationship management?

Customer Relationship Management (CRM)

LO 1 *Customer relationship management* (CRM) is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction. Executing CRM may involve technology, business rules, and operational processes, as well as the co-operation of key stakeholders within the organization.[2] This involves many aspects within an organization, including how consumers become customers, how they are retained as customers, and how well a company manages information on customers. The strategies that companies put into place around how they manage data will help them be successful in the customer relationship management discipline.[3]

After consumers have initiated and completed their purchase decision, they become customers. Customer relationship management (CRM) considers the purchase decision from the point of view of the business. It engages three interactions with customers, including customer acquisition, customer retention, and customer reacquisition. To be executed effectively, CRM requires support from the company's top management.



Customer relationship management (CRM) strives to build and maintain profitable customer relationships.

MoMo Productions/Getty Images

Over time, businesses have used technology to leverage time connecting with customers. Knowing when to contact members maximizes effort. In a post-COVID-19 world, face-to-face interactions may become less and less of a practice, giving businesses more time to reach more people.

Whether they were lobbying the federal government, communicating directly with their customers, or sharing best practices with one another, Canadian CEOs displayed leadership during the COVID-19 pandemic.

In March 2020, a group of 30 executives from Canada's largest industries collaborated so the country could stop the spread of COVID-19. In an open letter asking other business leaders to take notice, they suggested that government measures would only be effective if businesses did their part.

Stopping non-essential travel, promoting physical distancing, and arranging for employees to work from home were just some recommended steps. During this time, business leaders sent emails directly to their customers explaining the steps they were taking to keep their employees and customers safe. These communications from the leaders of some of our favourite brands were well received by customers who found different ways to interact in this new reality.

With the traditional face-to-face meeting with handshakes being inappropriate during the pandemic, companies found other ways to keep connected to their loyal client base. CRM systems were vital to ensure companies did not miss opportunities to market to and service members through online and other contactless means. Although business etiquette was evolving during this challenging time, the importance of maintaining relationships was still key to the success of a business.[4]

Customer Satisfaction

Information about customers can be used to create marketing programs that result in customer satisfaction. Information technology and database systems are a great starting point for CRM; however, for CRM to be successful, there must be attitude changes in the organization. CRM started out as a tool to help the sales force keep track of customers and prospects, but it has evolved into so much more.

A large corporation may spend tens of millions of dollars on a CRM system. Among the big suppliers are Oracle, SAP, and IBM; dozens of other companies specialize in components such as telephone call centre technology, database software, and Internet systems. The whole idea is to customize each system to a specific company's needs. Funnelling information to one place that otherwise would be dispersed in a big company allows all employees to access one customer profile instead of bits and pieces of information about the customer scattered throughout the company.

MARKETING TIP

"Relationships are the most important facet of a business."

– Dennis Kwasnicki, president, The Paint Channel

Call your local bank about your chequing account and you may discover that the person on the phone is looking at a screen that summarizes your previous calls and displays information about your mortgage and credit card, as well. Visit your local bank and you may be surveyed about your experiences and your likelihood to recommend the branch. Some financial institutions do this better than others.

Banking On Customer Satisfaction

J.D. Power creates a customer satisfaction index ranking based on a 1,000-point scale. The Top 3 big banks are ranked as follows:

RBC Royal Bank	629
CIBC	615
BMO Bank of Montreal	610

Source: "Economic Headwinds Erode Canada Bank Customers' Financial Health and Satisfaction, J.D. Power Finds," [news release], October 20, 2022, accessed at www.jdpower.com/business/press-releases/2022-canada-retail-banking-satisfaction-study.

Customer Experience Management

A concept similar to CRM is a process called **customer experience management (CEM)**. CEM involves managing customer interactions to build brand equity and improve long-term profitability. It requires strategy to manage all points of the customer experience, as keeping customers satisfied will be more important than simply making a sale.[5] CEM focuses on customer interactions, or touch points. A *touch point* describes any customer interaction with the brand or company.





Apple knows that customers dislike the touch point that consists of impersonal technical support calls, so it has created the Genius Bar in its retail stores.

(left) wklzzz/123RF; (right) Canadapanda/Shutterstock

Customer interactions include every point in which the customer interacts with a business, product, or service. In the case of MacBooks, Apple ascertained that its customers disliked the touch points that were impersonal technical support calls. Apple resolved this issue by creating Genius Bar touch points that offer face-to-face help at the Apple Store.

Your banking touch points include experiences with automatic bank machines (ABMs), online banking, and customer service representatives. For the Starbucks customer, this may include the anticipation of going to Starbucks, walking up to a shop, opening the door, ordering and paying for the coffee, talking to the server, getting the coffee, and sitting down in the relaxed atmosphere of the shop to enjoy the coffee. Understanding the importance of each touchpoint is how Starbucks was able to manage customer expectations during a pandemic. It was also key to Starbucks long-term success in building customer lifetime value. Read the Marketing Matters box, **Made to Order**, for more details.[6]

Marketing Matters

Made to Order

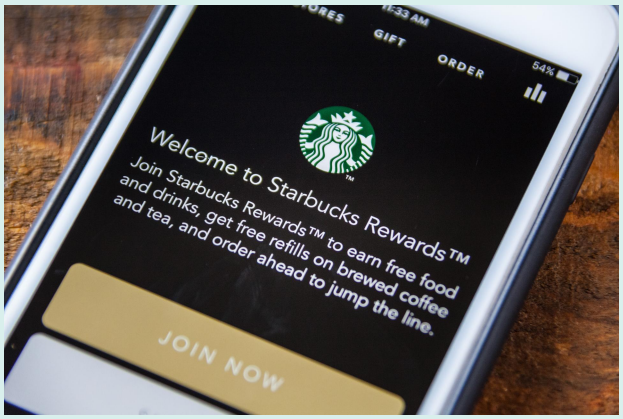
Customer relationship management (CRM) can refer to technology for managing a company's relationships including interactions with customers and potential customers. But CRM is better defined and executed as a combination of practices, strategies, and technology that manage interactions through the customer life cycle and help grow customer lifetime value.

Starbucks is not perfect. Baristas can make mistakes. It is a demanding job. However, Starbucks does hold itself accountable to its customers, claiming if you do not like your drink it will be re-made. This small gesture at the point of sale can lead to a loyal customer base that is comfortable with the bespoke offerings that Starbucks provides them.

Launched in 2009, the Starbucks loyalty program has evolved, but continues to bring customized experiences to the end user. The company's loyalty program is a key driver of its success, and has its strategy based on

customer relationship management. The more loyal the Starbucks customer, the greater the rewards.

Mobile applications also created a gamification experience, allowing customers to be notified of future purchase recommendations, as well as points balances, mobile orders, and payments.



©BestStockFoto/Shutterstock

Effective customer relationship management creates stronger, and deeper relationships, leading to better customer loyalty. If you can learn what makes your customers happy, then you can use that information to make their experiences better. Starbucks uses the data it collects from its customer transactions to make its business, and experiences, better.

When using the application, Starbuck rewards program members authorize Starbucks to gather information about their buying habits. Preferred drinks, food items, and general purchases are recorded to create a personalized experience wherever the Starbuck customer goes. This experience includes suggesting new products, and personalized offers and discounts for its loyal members.

Questions

1. Describe the attributes of a Canadian retailer that keeps a consumer engaged. Explain why they work.
2. How do customer expectations affect customer relationship management and the future success of companies?

Companies should measure and improve customer interactions on an ongoing basis. Levels of customer satisfaction at each touch point can be a better measure of customer loyalty than just measuring overall customer satisfaction. It starts by understanding and listing each individual interaction or touch point that influences customer satisfaction. Whether human (such as sales staff or a call centre), interactive (such as websites, email, or X [formerly known as Twitter]), or static (such as radio or newspaper ads), each touch point is an opportunity to improve customer experience.[7]

CEM and touch points are used to maintain profitable relationships with customers and are used in various industries to enhance customer satisfaction. Canadian Pacific Hotels (CP Hotels) was not well regarded by business travellers, a notoriously demanding and diverse group to serve, but also very lucrative and much coveted by hotel chains. By investing time and money in learning what would most satisfy this segment, the company discovered that customers wanted recognition of their individual preferences and lots of flexibility with check-ins and check-outs.

CP Hotels mapped each step of customer interactions from check-in to check-out, and set a standard of performance for each activity. Along the way, the management structure was revamped so that each hotel had a champion with broad cross-functional ability to ensure that the hotel lived up to its ambitious goals.[8]

Ideally, CEM information is analyzed to gain insight into each customer's needs and behaviour, and then it is used to improve the customer's dealings with the company. This can be as simple as freeing the customer from having to repeat their mailing address every time they place an order, to something like being able to instantly tell the customer the status of a shipment. The analysis might guide promotion efforts so that the customer receives mailings, calls, emails, or website advertising tailored to their likes.

Cultural Changes

CRM databases allow companies to get closer to their customers to establish a mutually beneficial relationship. A company's failure with CRM is often the result of approaching CRM as a software project rather than an overall company strategy. A company may spend millions of dollars on software, but doesn't bother changing the cultural attitudes of the organization. A company may be looking for a quick fix for its problems. Companies feel that if they purchase CRM software, their problems will disappear. Collecting and managing data is just one component of CRM. A more important component is the organizational culture and support from top management.

A hotel that is suffering from poor employee customer-service skills cannot use software alone to solve the issue. CRM requires a top-down long-run commitment and attitude change by management. If the hotel employees see that management treats them with respect and rewards customer satisfaction, there is a larger incentive for employees to treat customers with respect.

"A company's failure with CRM is often the result of approaching CRM as a software project rather than an overall company strategy."

Organizations like BLUERUSH create personalized digital customer experiences that generate leads, build loyalty, and increase sales. As an integral part of a customer lifecycle management program, INDIVIDEO™ and ActivDialog, two proprietary BLUERUSH products, are significantly transforming online experiences and delivering real value to clients and their customers. These tools not only need to be adopted by client-facing individuals, they need to be driven by management.

In 1997, Xerox Canada refocused a 5,100-person organization with annual revenues over $1.1 billion and underwent a change in structure and compensation incentives to ensure that its employees focused on customer satisfaction. Although the change was not an easy one, it was necessary to achieve the result of customers being more satisfied with the company's service offerings.[9]

Although not always noticed by customers, the cultural change that organizations undergo requires an investment of time and resources. In the same year that Xerox Canada underwent its cultural change, the 407 ETR opened in the Greater Toronto Area, allowing an all-electronic tolling feature for drivers on this highway. Customer loyalty is increasing for

this service due to a lack of competition and the additional convenience offered by the highway. Unfortunately, more resources should be allocated to understanding customer complaints from this organization.[10]

CRM at Four Seasons Hotels and Resorts

Four Seasons Hotels and Resorts grew from a modest hotel in downtown Toronto to a luxury hotel chain consisting of 91 hotels in 38 countries around the world. Founder Isadore Sharp spent decades developing a culture in which all employees are empowered to take responsibility and make decisions, rather than exclusively relying on orders from management.

Mr. Sharp says that culture has to start from the top, the person who really is able to control and make the decisions to reinforce the culture in a meaningful way. "The Golden Rule guides our interactions with our guests, our business partners and investors, but most importantly, with each other," says Sharp. "We also believe in investing in our employees and promoting from within. Many of our senior managers began their careers with Four Seasons and continue to be culture ambassadors."

CRM involves tracking guest information and preferences, such as extra pillows, via a database. This information should be used by employees the next time the guest returns to the hotel. Satisfied employees will take this extra step to make guests feel important and recognized. However, if hotel employees are not feeling engaged or appreciated themselves, they may not take that extra step and may fail to enhance the guest experience. It has been estimated that in a 200- to 300-room luxury hotel, there are as many as 5,000 interactions between guests and staff per day; in other words, thousands of opportunities for high performance or for mishaps. Four Seasons Hotels and Resorts excels in making its interactions with guests very positive.[11]

The cultural attitudes of the organization must change internally to what is called a CRM culture if the company is really interested in instituting positive customer service. Management must understand the customer and drive its company to developing the best experience. Top-management support to align internal processes toward a company's CRM strategy is critical to a CRM program's success.[12]

CRM at WestJet

WestJet is an excellent example of a company that has embraced CRM from the top management down. Every employee literally takes ownership in what they do. As shareholders of the company, WestJet employees have a heightened sense of customer service responsibility uncharacteristic of many employees. Seeing this as a differentiator, WestJet launched a series of ads that focused on WestJet's theme of ownership.



Employees who take ownership of what they do have a heightened sense of customer service responsibility.

Hero Images/Getty Images

The average business executive goes into CRM thinking it's only about technology, but if cultural attitudes don't change, employees won't benefit from the information collected and analyzed. If employees don't use the system, the software becomes useless. The most senior levels of management need to embrace the business strategy of CRM and move the message and tactics of CRM throughout the organization. CEOs need to get the message out to their VPs and have them get it out to their managers, down to supervisors, and down to the front line.

Gaining loyal customers is critical to a successful CRM strategy. In that strategy, you can ask questions similar to these below:

- Who are your most profitable customers?
- Why do your customers buy from you and not the competition?
- What percentage of your customers are profitable?
- How can you make profitable customers do more business with you?

- How do you plan on managing less profitable customers?

Ultimately, a company should consider the answers to these questions to evaluate the state of the firm's CRM strategy and what culture changes need to be made in order to effectively execute the strategy. In the end, technology is an enabler of CRM, but a successful CRM strategy is executed by high-performing employees.[13]

CRM at TD Canada Trust

TD Canada Trust leads Canada's five big banks in customer satisfaction. Its customer relationship management involves building and maintaining profitable customer relationships. After the merger of TD and Canada Trust banks, the newly formed organization invested $15 million in informing its clients of what to expect of the new company. The investment was part of its strategy of client retention and profitability. According to TD Canada Trust customer loyalty polls, customers are expecting a higher level of customer service and are receiving it.[14]

But if they don't receive positive customer service, they may not be coming back. Businesses are constantly looking for ways to show customers that they care, such as through reward programs. Many customers appreciate the perks, but according to the findings of the TD Canada Trust loyalty poll, customers want to be treated well. When asked which form of appreciation they are most interested in, 49 percent ranked "just good customer service" as number one. This was followed by just 18 percent who cited reward programs. According to the results, respondents' definition of good service was friendly staff followed by quick and helpful service.

Social Media and CRM

LO 2 A growing number of companies are keeping track of what's said about their brands on social media platforms such as Facebook and X. This activity falls in line with the process of CRM because it's an excellent way to build and maintain a relationship with customers. Dell, General Motors, H&R Block, Kodak, and Whole Foods Market are among a growing number of companies monitoring X to see what people are saying about their brands as well as to provide solutions to customers' concerns.

With the ability to create a conversation between companies and customers, social media provides an excellent platform for the consumer voice and a great resource for marketers. The attention to X reflects the power of new social media tools in letting consumers shape public discussion over brands.[15] A single X message—known informally as a tweet—sent in frustration over a product or a service's performance, can be read by hundreds or thousands of people. Similarly, positive interaction with a representative of the company can help turn an unhappy customer into a more loyal one.

Some companies are hiring social media analytics consultants to monitor social media sites such as Facebook and X in order to digest and understand what consumers are saying about their brands. These consultants have developed specialized software for their clients to scour these sites in real time and to provide actionable insights for smarter business decisions.

Tourism and Social Media

Hotels and airlines were among the first industries to recognize the value of social media platforms such as X and Facebook, and to monitor them to respond to angry customers. Increasingly, companies are taking the tactic to a new level, trying to listen in on every mention of their brands for a real-time gauge of what people think of their offerings, competitors, and industry trends.[16]

Consumers are increasingly using tools such as X to contact an airline as opposed to the old way of phoning the company. For flyers who have lost luggage or missed a flight, the immediacy of social media–based feedback could render toll-free numbers and website

feedback forms obsolete in the near future. In an industry where every airline essentially sells the same commoditized service, airlines that use social media to turn disappointed customers into happy ones, or to simply enhance the travel experience, are already setting themselves apart and building loyalty.



Porter Airlines employees scanned social media sites to help identify and resolve a customer complaint.

©Mary Claire/Shutterstock

Consider this scenario, which actually took place at Porter Airlines. When an unhappy passenger found herself waiting in a check-in line that wasn't moving quickly enough, she tweeted her dissatisfaction from her smartphone. At the same time that this was occurring, Porter Airlines employees were scanning X traffic and came across the woman's complaint. By the time that passenger got to the front of the line, Porter staff were on hand to directly deal with her complaint.[17]

The engagement created by social media cannot be ignored as it may have consequences. United Airlines baggage handlers damaged Halifax songwriter David Carroll's $3,500 custom-made bass guitar on a flight from Halifax to Chicago. Carroll spent nine months seeking compensation by sending emails, writing letters, and calling airline representatives, all to no avail. Carroll, deeply frustrated and out of options, wrote a song entitled "United Breaks Guitars" and uploaded it to YouTube. The catchy song went viral, with 150,000 views the day it went live and nearly 10 million since then.

United Airlines finally relented and, at Carroll's request, donated the $1,200 he paid for repairs to charity. It's interesting to note that within four days of the song going online, the bad PR caused United Airlines' stock price to suffer a plunge of 10 percent, costing

shareholders $180 million. After the incident, United Airlines created an X presence, but approaches social media with a more controlled strategy.[18]



Dave Carroll got his revenge after United Airlines broke his guitar.

Andrew Vaughn/The Canadian Press

Credibility Issues of Social Media

One of the temptations for a company is to encourage consumers to say positive things about its brand on a social media platform. In 2009, Ford promoted its new Fiesta subcompact by letting 100 consumers drive the car for free for six months, gas included. All they had to do was blog, tweet, and post about the car.

There exists the possibility that they were more likely to say good things about the car as a result of the freebie, instead of truly giving their unbiased opinions. Although credibility may have suffered as a result of this campaign, the underlying strategy for Ford was engagement. Even though there are not a lot of Fiestas on the road, Ford believes in social media as a means to attract the tech-savvy consumer, and it relaunched a similar social media campaign in 2014.[19]



Ford used social media to promote its Fiesta subcompact car.

©Paceman/Shutterstock

Critical Thinking for Marketing

1. *Why is customer relationship management so important to businesses?*
2. *Describe how companies are using social media in their relationships with customers.*

Customer Acquisition and Retention

LO 3 CRM starts by building customer relationships. Data-driven programs can examine the profiles of a company's most-popular customers and use these characteristics to find prospective customers. After a company has found commonalities among profitable customers, it can use this information to accurately target potential customers with the same profile.

Once customer relationships are established, CRM shifts to maintaining profitable customer relationships. A company that builds strong relationships with customers will retain these customers, resulting in more sales and profits than the company would have if it focused only on getting new customers. It's important to note that making a sale to a current customer is way less expensive than making a sale to a new customer.

> *"Listening to customers is as important as–if not more important than–talking to them."*

Listening to customers is as important as–if not more important than–talking to them. Some business-to-business (B2B) companies are now making a special effort to ask customers when and how they would like to be contacted by the company. This information is placed in a database so that it is readily available. This practice shows respect for loyal customers' time and allows companies to direct the brand communication in a way that is appropriate. Moreover, communicating with customers is a key strategy for businesses to ensure they are thought of and retained.

The increased profitability that is associated with customer retention is due to several factors that occur after a relationship has been established with a customer. Furthermore, by choosing the right customer, nurturing the right customer, and allocating resources to the right customer, profitability can be further enhanced. CRM can create numerous benefits to an organization including understanding, acquiring, and retaining customers. Why CRM can help increase profitability through customer retention is explained by the following factors:[20]

- The cost of acquiring a customer occurs only at the beginning of a relationship, so the longer the relationship, the lower the amortized cost.
- Long-term customers tend to be less inclined to switch, and also tend to be less price sensitive.
- Long-term customers may initiate word-of-mouth activity and referrals.

Customers are also making decisions on a company based on their views on sustainability. The Making Responsible Decisions box, **Sustainable Sales**, shows how Salesforce acts as a leader in this area.[21]

Making Responsible Decisions

Sustainable Sales

If not done properly, marketing can be a wasteful exercise. You can spend tens of thousands of dollars on a mail drop that not only yields little return, but also creates wasteful unread marketing materials. Fortunately, companies like Salesforce can not only reduce the marketing waste that companies create, but they also set an example for corporations when it comes to sustainability.

Salesforce Announces Sustainability Cloud Scope 3 Hub and New Climate Commitments to Create a More Sustainable Future



Salesforce is helping support sustainability.

© Copyright 2022 Salesforce, Inc.

Founded in 1999, Saleforces partners with companies to create solutions that take advantage of cloud computing, blockchain technologies, and artificial intelligence. In 2021, the global leader in CRM announced that it uses 100 percent renewable energy for its operations. Its reduction strategies are focused on the organization's supply chain, and infrastructure, as well as business travel and work-from-anywhere arrangements. Salesforce aspires to help businesses sequester 100 gigatons of carbon by conserving, restoring, and growing one trillion trees and protecting the oceans. It also used its technology expertise to launch Net Zero Cloud, a software helping companies with their sustainability data management.

More and more customers want to do business with organizations that are committed to climate action and protecting the environment. A business leader like Salesforce helps businesses work towards that future. Salesforce has six sustainability priorities, including emissions reduction, carbon removal, ecosystem restoration, education, regulation, and innovation. And Salesforce believes business does not have to choose between profit and purpose anymore, as it is showing how both can be measured.

Questions

1. What do you think of when you receive paper account statements and marketing materials?
2. What is the impact on companies and consumers if more and more organizations use digital marketing assets?

Loyalty Programs

One way to retain customers is through **loyalty programs**. In Canada, customers have created emotional connections to loyalty programs such as the Air Miles Reward Program. Air Miles is Canada's largest loyalty program; Air Miles can be earned through more than 100 different sponsors, and there are almost 1,000 different rewards that can be redeemed. BMO Bank of Montreal offers an Air Miles–sponsored program, and TD offers an Aeroplan program.[22] Loyalty programs were not always as advanced as Air Miles. In fact, the oldest and best-known loyalty program in Canada is Canadian Tire Money.

Loblaw offered the President's Choice Financial MasterCard, with which consumers can get PC points that can be redeemed for groceries. And, the Shoppers Drug Mart Optimum card was a very successful loyalty program. When Loblaw bought Shoppers Drug Mart, it merged the two popular loyalty programs into a single PC Optimum program. Loyalty programs have become a way for one company to differentiate itself from another, but these differentiations come with high expectations from Canadians.[23]

Although businesses appreciate all their customers, CRM practices allow them to distinguish between the loyalty habits of their customers. In most product categories, a small number of heavy users accounts for a large percentage of a brand's sales and profits. Heavy users are customers who buy an above-average amount of a given brand.

According to **Pareto's Rule**, a rule of thumb named after Italian economist Vilfredo Pareto, 80 percent of a brand's sales come from 20 percent of its customers. Heavy users should be rewarded differently than light users. The implication here is to take special care of the 20 percent by offering them better rewards than the remaining 80 percent. Databases allow companies to do more than merely recognize their customers. Companies that surprise and delight their high-profit customers with reward programs are more likely to keep these customers in the long run.

Consider the loyalty program at Starwood Hotels & Resorts, which has such brands as Sheraton and Westin. The chain offers a different twist on personalizing a loyalty program. As well as the usual system of accumulating points that can be redeemed for free rooms, Starwood Preferred Guest program members can use their points to bid for special experiences. The Moments program allows members to take part in online auctions to bid for "insider access" to red-carpet premieres, closed rehearsals with top musicians, private dinners with celebrity chefs, or rounds of golf with PGA Tour pros.

Members of the Moments program can hone their golf skills with a hands-on clinic led by PGA Tour Professional Jason Gore. Members learn golfing techniques from Gore and then test out their new skills with 18 holes of challenging play, where Jason joins the member for several holes and offers tips along the way.[24]

Canadian banks have unique loyalty offerings as well. These can take the form of multi-product rebates, as well as credit cards offering rewards programs. The rewards from these cards can be redeemed for travel and other incentives.[25]

In addition to rewarding customers, loyalty programs provide businesses with a wealth of information about their customers. This information is the raw material for data mining, which is discussed in the next section.

Privacy

With technology becoming more pervasive in our culture and companies having access to more and more consumer information, the Canadian government has extended the responsibilities of the Office of the Privacy Commission of Canada to the private sector. This office acts as an advocate for Canadians on their rights to privacy. The *Personal Information Protection and Electronic Documents Act (PIPEDA)* established rules for how personal information is handled during the course of business.

Personal information can be collected only through lawful means. Consumers need to consent to the information being collected, while companies need to protect the information and cannot use it for purposes other than what was originally intended.

Furthermore, in 2014, the Canadian government introduced anti-spam legislation. Given the ease of accessibility to consumer information, this legislation is intended to protect Canadians from unwanted communications and threats.[26]

" In addition to rewarding customers, loyalty programs provide businesses with a wealth of information about their customers. "

Database Marketing

LO 4 **Database marketing** is an essential practice for enhancing the customer experience. It is significant to a company's success in identifying its customers and customizing its service offerings. Over time, company's collect, process, and analyze information on their customers, potential customers, and competitors. Through careful analysis, companies can better recognize customer needs and adjust accordingly to meet and exceed expectations. Whether through traditional means or social networks, database marketing can help companies improve customer loyalty.[27]

Data Mining

How does a company use the reams of information in its databases? One answer is data mining. *Data mining* is an efficient way to sort through large amounts of data to find relationships between variables. It is a process of analyzing customer patterns and insights to make better marketing decisions. By spotting trends and relationships among the reams of information, data mining can help specifically target customer segments to meet their needs. Since data mining is growing in its impact to customer satisfaction and developing business opportunities, companies need to place more emphasis in getting customer information in the hands of sales and support staff to make a difference. Effective integration of data mining in a company's CRM strategy will allow for improved customer service and sales performance.[28]

Loyalty programs supply a lot of information that can be used for data mining purposes. Information that customers supply when they apply for a loyalty program can be tied to their purchase behaviour. Data mining can then be used to find patterns in consumer behaviour and also help marketers with customer segmentation.

All the data about customers is stored in a central place, called the **data warehouse**. A data warehouse can be thought of as an electronics library where all the information is indexed. Once the data warehouse brings the data together, the company uses data mining techniques to find insights about customers.

There are multiple examples of how CRM and data mining techniques positively impact retail organizations in Canada. For example, Royal Bank of Canada has invested in its CRM

strategy. It considers CRM a core strategy and attributes it having a positive impact to its revenue growth and profitability. The deeper the data can be analyzed, the better insights that can be made.[29]

A second example is Canadian Tire. Data mining enabled the retailer's credit card division to create psychological profiles of its cardholders that were built upon alarmingly precise correlations. Data mining revealed that cardholders who purchased carbon-monoxide detectors, premium birdseed, and felt pads for the bottoms of their chair legs rarely missed a payment. On the other hand, those who bought cheap motor oil and visited a Montreal pool bar called Sharx were a higher risk. Canadian Tire leveraged these learnings and is now quite an innovator in digital marketing.[30]

A third example of data mining involves Metro, a chain of supermarkets in Ontario and Quebec. Its bottled juices traditionally were placed on the shelves by brand. But data mining information showed that consumers preferred the juices to be shelved by flavour. Metro made the change and sales of juices increased, and the chain continues to be flexible in its offer to the evolving consumer.[31]

Critical Thinking for Marketing

1. *Apply Pareto's Rule when considering managing relationships with 1,000 customers of a coffee shop.*
2. *Give three examples of loyalty programs, and explain why they are effective.*
3. *How does data mining allow for more effective marketing programs?*

Customer Lifetime Value

In customer relationship management, a company focuses on its relationship with customers with the ultimate goal of creating an unbreakable bond with its customers. Companies are starting to focus on the value of a customer when that customer remains loyal to the firm over the customer's lifetime. This is referred to as *customer lifetime value*.

Carl Sewell, a successful car dealer and author of a book called *Customers for Life*, looks at each customer as an investment. If he can provide each customer with excellent customer service, that customer will likely remain loyal to Carl's dealership in the future. In a sense, that customer may have a lifetime value to Carl of hundreds of thousands of dollars. Knowing this, Carl keeps an insightful perspective on dealing with customers.[32]

An example of Carl's insight involved a customer who came to pick up his car after servicing and noticed that his tennis racquet, which he had left in the car, was gone. Under normal circumstances, a dealer would say that it is not responsible for items left in a car. Carl Sewell, on the other hand, went over to the customer and apologized for the mishap. He then proceeded to write a cheque for replacement of the racquet. Carl knew that it was not worth jeopardizing an investment of hundreds of thousands of dollars over the price of a tennis racquet.

A concept very close to customer lifetime value is *share of wallet*. CRM techniques can help marketers get a larger share of a customer's purchases from that company. Here's an example of how a bank can increase its share of wallet. The bank that holds a customer's mortgage and chequing account may learn at some point that the customer has children and may then try to sell the customer a registered education savings plan. Another example of a company increasing share of wallet is Shoppers Drug Mart. A customer with a PC Optimum card who purchases cosmetics may receive subsequent communications from Shoppers that offer coupons for related cosmetic products.

Critical Thinking for Marketing

1. *Why is customer lifetime value important for companies to calculate?*
2. *Why do companies want to increase share of wallet?*

CRM and Customer Reacquisition

LO 5 Companies are realizing that losing a customer means more than losing a sale. It means losing the entire future stream of purchases that the customer would make over a lifetime of patronage.

Customers stop buying from a company for a variety of reasons. Very often, the reason can be poor customer service as opposed to something inherently wrong with the brand. The first step in customer recovery is to find the customer who is in jeopardy of being lost to the company. The longer customers stay away from a business, the less likely they are to return.

Because customer databases capture purchases, computers can be programmed to periodically examine transaction frequencies and create a list of all customers who have not made a purchase within a set period of time. Because each customer generally has a certain purchase frequency, software can determine when each customer's purchase frequency has been broken. After lapsed customers are identified, the second step is to contact them to determine why they have stopped buying and potentially prepare an appropriate offer.[33] If the problem is resolved, the lapsed customer may become a very loyal customer because the firm has shown interest in them.

Retaining Marginal Customers

CRM allows firms to use information technology to quantify the value of individual customers in terms of sales and profits. High-value customers are provided with better privileges, discounts, or other inducements. CRM analysis shows that a small proportion of customers contribute to a large percentage of profits, and that many customers are unprofitable.

Many firms are beginning to jettison or fire their low-value customers and are focusing their time on their high-value customers. In 2007, CNN reported that Sprint had dropped about 1,000 customers who were calling the customer-care centre too frequently—40 to 50 times more than the average customer every month over an extended period.[34]

Firing low-value customers seems to be a common-sense approach, but in some cases there is a danger. If a company is left with only high-value customers, this leaves the company

open to poaching by competitors if they are aware of its customer base.

Critical Thinking for Marketing

1. *When would it be appropriate to fire a customer?*
2. *Describe the two steps in customer recovery.*

Summary...just the facts

LO 1 • Customer relationship management (CRM) focuses on using information about customers to build and maintain profitable customer relationships.

- Customer experience management (CEM) involves managing customer interactions to build brand equity and improve long-term profitability.

LO 2 • A growing number of companies are keeping track of what's said about their brands on social media platforms such as Facebook and X. This activity falls in line with the process of CRM, because it's an excellent way to build relationships with customers.

LO 3 • One way to retain customers is through loyalty programs. It should be noted that all customers should be rewarded, but not all customers are the same. In most product categories, a small number of heavy users account for a large percentage of a brand's sales and profits.

LO 4 • Companies use database marketing to collect, process, and analyze information on their customers, potential customers, and competitors with a goal to improve customer loyalty.

- Data mining is an efficient way to sort through large amounts of data to find relationships between variables.
- Companies are starting to focus on the value of a customer if that customer remains loyal to the firm over the customer's lifetime.

LO 5 • Many firms are beginning to jettison or fire their low-value customers and are focusing their time on their high-value customers.

- Companies are instituting customer reacquisition programs to prevent losing customers.

Key Terms and Concepts…a refresher

customer experience management (CEM)

data warehouse

database marketing

loyalty programs

Pareto's Rule

Hands-on... APPLY YOUR KNOWLEDGE

Online Assignment on Building Relationships Visit the The Paint Channel website at **https://thepaintchannel.com/brands**. Choose two brands and research their websites. Now, determine how you would continue to maintain a long-term business relationship with these organizations.

Chapter Vignette… ACTIVITY

The opening vignette illustrates the importance of customer relationship management to build a successful business. Answer the Reality Check questions at the end of the vignette as well as in the Marketing Matters box, **Made to Order**.

Building strong relationships includes listening to customers to find out about their needs. Similarly, the job interview process is an opportunity to listen and find out from the interviewer about the organization's needs.

Consider the interview to be a two-way exchange. While the company is interviewing you to determine if you are a fit, you are also determining if the organization is a fit for you. You are evaluating the organization's culture, values and work style. Also, think of your interview as an opportunity to build relationships with new or future employers. Consider the different strategies that companies use to keep in contact with their customers and apply them to building your industry network.

Employers are interested in candidates that demonstrate they have researched the organization and can share reasons why they want to work there. Be authentic. Just think of what you like and admire about the firm. Perhaps it is the organization's position on the environment. Or perhaps you feel their products or services are innovative and offer customers great solutions. Is there something you can identify about the organization that you connect with? Do the company's values align with your values? Be prepared to share this information with employers.

Activity:

It is quite common for the interviewer to ask you at the end of the interview if you have any questions for them. This is an opportunity to further explore if the organization is a fit for you and aligns with your ikigai findings. Come prepared with a few questions. The questions could be about the role or about the company/work environment.[35] Add some additional questions to the lists below:

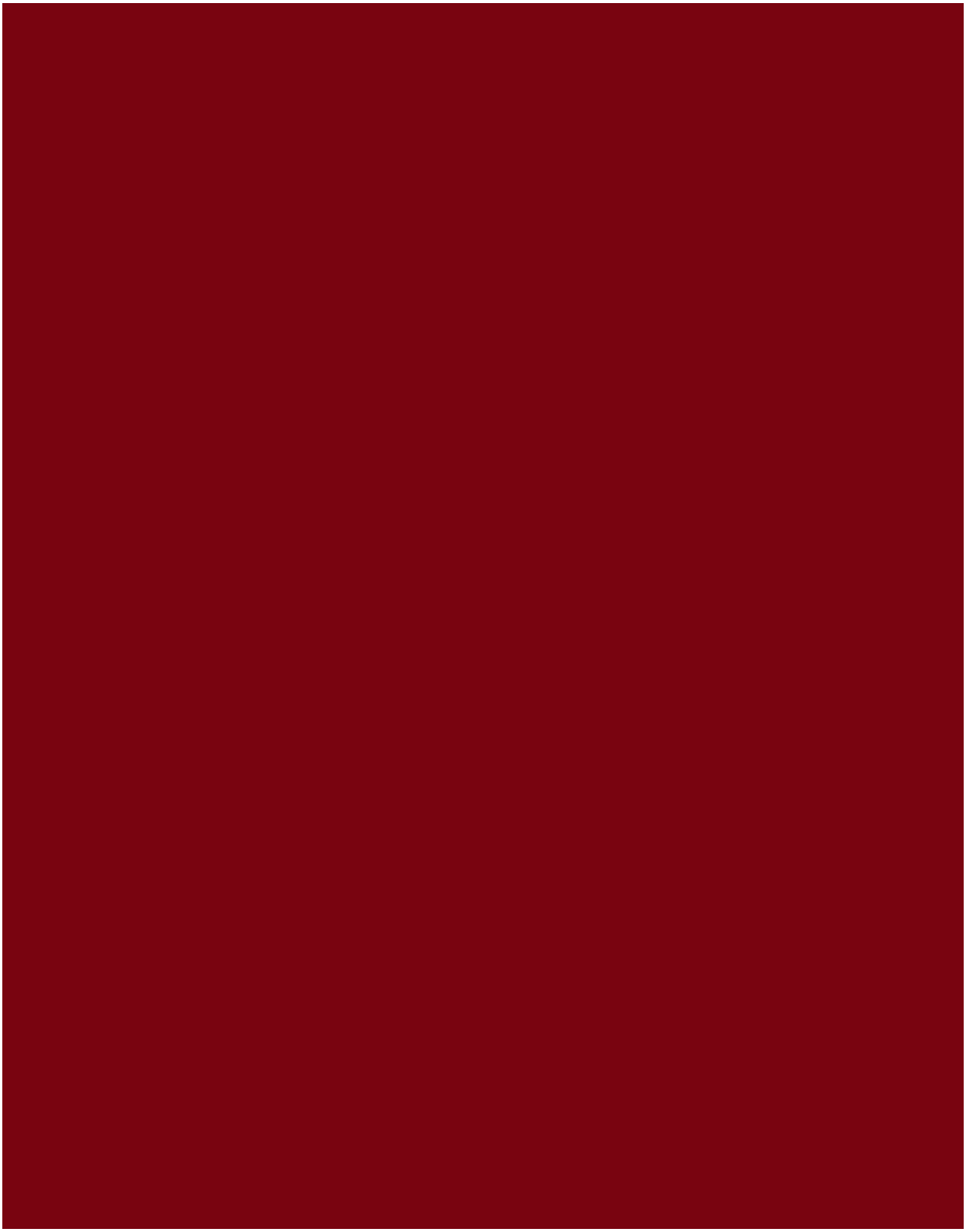
Questions about the role:

1. Can you tell me about the day to day responsibilities of the role?
2. What are you hoping a successful hire will achieve in the first three months?
3. What is a typical career path for someone in this role ?
4. ?

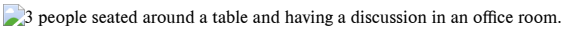
Questions about the company/work environment:

1. What do you like best about working for this company?
2. What is the organization's management style?
3. How does the team interact with each other?
4. ?

PART 5
PUTTING IT ALL TOGETHER



Chapter 15
Strategic Marketing Planning


3 people seated around a table and having a discussion in an office room.

Monkey Business Images/Shutterstock

LEARNING OBJECTIVES

LO 1 Describe how strategy is developed at the corporate, business unit, and functional levels in an organization
LO 2 Define the concepts of business, mission, and goals, and explain why they are important in organizations
LO 3 Explain why managers use marketing dashboards and marketing metrics
LO 4 Discuss how organizations formulate strategies
LO 5 Outline the strategic marketing process

CHAPTER OUTLINE

- Building long-term business relationships
- Organizational structure and strategy
- Setting strategic directions
- The strategic marketing process

CHAPTER FEATURES

To "B" or not to "B"

Learn about companies whose strategy is to use business as a force for good.

The Power of Dove

How the Dove brand helps lift people up.

Personal finances can be challenging for Canadians. Whether it is managing on a fixed budget in college, saving for retirement, or eventually living on a fixed income when retired, valuable advice from experts in the financial services industry can help Canadians achieve their financial goals. In the financial services industry, the only constant is change. With a new securities self-regulatory organization established in 2023, strong partnerships need to be formed to ensure existing and future financial professionals receive the training and resources they require.

As the company celebrated its 15-year anniversary, SeeWhy Learning executives reflected on their impact on the financial services industry. More than three decades ago, the Canadian banking industry designed services specifically focused on future generations. By cultivating a youth market, banks began to reap the rewards from post-secondary graduates. They built relationships with them at an early age, and these individuals became loyal and profitable bank customers.

Today, these Canadians, and future generations, face challenges with growing household debt. Although challenging economics and high-risk lending products may contribute to this issue, certain trends have been identified with respect to demographic and geographic characteristics.

The debt level of Canadians continues to grow and could partly be explained by the speed at which purchase decisions are now being made. For example, it is now possible to buy a brand-new car online and have it delivered without even setting foot in a dealership.

Consumers also have access to many credit options that facilitate their growing debt. Many mortgage products give the borrower access to a line of credit where the available balance increases as the mortgage is paid down. Credit can be an excellent financial tool but can also create havoc with an individual's finances if not used responsibly. Unfortunately, solutions for individuals struggling with debt are unclear, making it difficult for consumers to access the right advice.

The majority of SeeWhy Learning's corporate clients are large financial services organizations that provide advice to Canadians. These organizations understand the financial challenges that Canadians face and provide access to qualified advisors across Canada to help them. The fundamental financial principles taught by financial advisors can be life changing, but financial advisors need to have an established foundation of knowledge before they set out in their careers.

"Large financial institutions are experts at attracting entrepreneurially minded individuals who wish to build their own practice within the support structure of a large respected financial institution," says Cory Snyder, sales director. To begin their careers, representatives are typically required to complete various proficiency licensing courses as well as fulfill regular continuing education requirements. That is where they turn to partners like SeeWhy Learning.

Similar to many organizations, SeeWhy Learning's marketing plan involved completing a situation analysis. Once it understood its strengths and weaknesses, the organization began developing and positioning its product. It set goals and developed a marketing program that would allow it to achieve those goals. It continues to execute and evaluate its marketing success as it acquires new clients and grows as an organization.

In 2008, SeeWhy Learning began with a simple strategy to grow the number of corporate clients it works with. This required it to increase the number of retail customers who independently purchase SeeWhy's tools via its online delivery channels. "Early on, we realized that large financial institutions were not receptive to cold calls," says Cory. "We needed a different strategy. We decided to focus all our energies on developing excellent study tools. Our strategy was to 'build a better mouse trap' in anticipation that corporate clients would take notice and come to us for company-wide training solutions along with corporate pricing."

The strategy proved successful, as most of SeeWhy Learning's corporate clients were a direct result of feedback received from their employees who purchased SeeWhy Learning tools independently. "We were confident we were on the right track when we secured our very first contract with one of the big six, banks" says Cory. "We also work closely with several colleges, as it gives us the opportunity to give back to the community. We understand that many of today's finance students will eventually become tomorrow's key decision makers at various institutions."

SeeWhy Learning's marketing strategy evolved with the Canadian consumer. The organization adapted to how consumers were engaging. It has built its training programs in such a way that a student with as little as five to ten minutes to spare can still have an effective, mini study session. Reading a textbook or study guide is "old school," but still effective, and remains a part of its blended learning approach.

SeeWhy has also embraced newer technology, such as micro-learning and e-learning video lessons. Most of its videos are three to five minutes in length, ideal for a student with only a few minutes to spare. "While our study coaches are the best in the industry, our training is made even more effective with the visual aspect that video can provide," says Academic Director Jason Knell. "We strive to hire study coaches that are passionate about training, and it shows." Jason leads by example and loves to soak up new knowledge. His team often jokes that due to his credentials, he has more letters after his name than in his name.

The team continues to expand, hiring recent college and university graduates who bring new skills and perspectives to the table. However, these new hires must be open to coaching and further development by working closely with more tenured study coaches.

More recently, realizing today's youth are tomorrow's clients, SeeWhy Learning sought to expand its reach by marketing itself on multiple social media platforms, including those predominantly used by a younger demographic. For example, the SeeWhy YouTube channel includes over 100 videos that are geared to both students and to the general public who simply want to improve their financial knowledge. Many of its YouTube viewers and subscribers convert to paying customers by registering with SeeWhy.

"We don't aim to sell our viewers a product," says Andre Samuels, director of training. "We want to help them achieve a result." To fulfill that promise, SeeWhy Learning employs a success-based guarantee in its retail-level pricing model. Many SeeWhy Learning products carry an unprecedented, "If you don't pass, you don't pay" guarantee. This guarantee has very few conditions and is outlined on the company's website, **SeeWhyLearning.com**.

SeeWhy Learning actually structured its pricing model based on the real estate industry, whose licensing exams it also supports. Much as a real estate agent doesn't get paid until a house is bought or sold, SeeWhy doesn't view its job as complete, or the money earned, until the student is successful on their exam. It realized that its clients do not come to SeeWhy Learning specifically for training tools. Instead, they want to achieve success. Therefore, exam success is really SeeWhy's product. The way SeeWhy stands behind its products also demonstrates to clients that it believes in the quality of what it offers, and it holds the company accountable to continually improving its products and services.

"When we began operations, we implemented the innovative guarantee, which would have been costly for established competitors to match. We absolutely stand behind our guarantee and do provide some refunds—although the refund rate is very low given the quality of our products. We believe the guarantee encouraged students to give us a try and allowed us to gain market share at a critical point in the business. We believed it was only a matter of time before we were on our competitors' radars and needed to achieve critical mass quickly," says Cory. "That was part of our strategy."

While the money-back guarantee was implemented to gain market share quickly, it still remains part of the company's core strategy. The trainers and curriculum team enjoy being held accountable to such a high standard.

Today, SeeWhy Financial Learning is well known for offering quality training solutions and continues to expand its offerings. In 2021, SeeWhy was approved by the Canadian Insurance Services Regulatory Organizations (CISRO) as an official national course provider of the Life License Qualification Program (LLQP). This was a milestone achievement that was years in the making, and SeeWhy stakeholders and clients have every reason to be excited about what lies ahead.[1]

reality CHECK

As you read Chapter 15, refer back to the SeeWhy Learning vignette to answer the following questions:

- Use the strategic marketing process to describe how SeeWhy Learning built its strategic partnerships, and grew over the past 15 years.
- What marketing initiatives do you think were particularly successful? Why do you think that?

Organizational Structure and Strategy

LO 1 This chapter describes how organizations set their mission and overall direction and link these activities to marketing strategies. As consumers become more concerned about a company's impact on society, marketing strategy may need to be linked to the social goals of the company's mission statement. This chapter also focuses on strategic planning and the role it plays in the marketing process.

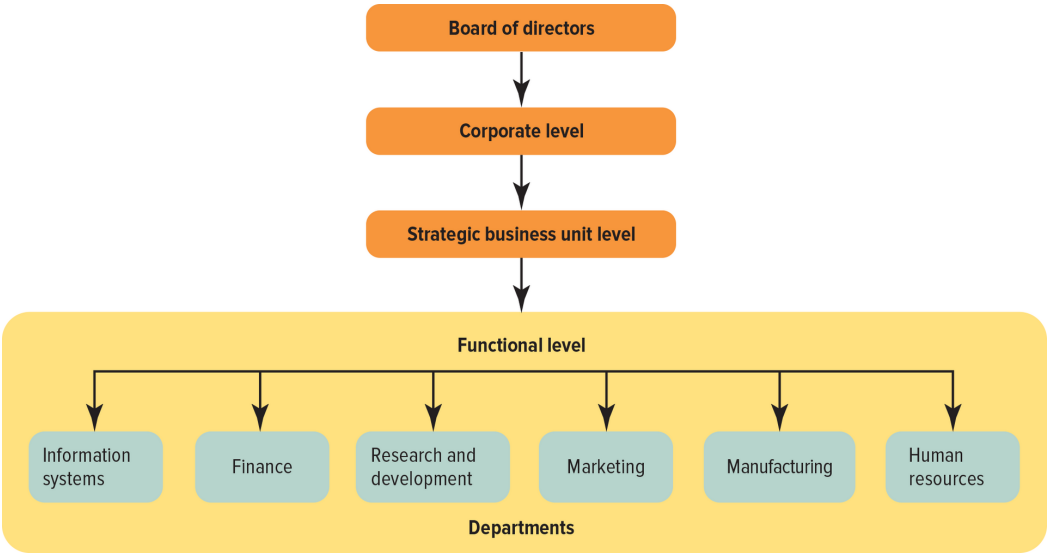
Kinds of Organizations

Today's organizations can be divided into business firms and not-for-profit organizations. A *business firm* is an organization that serves its customers in order to earn a profit. **Profit** is the excess of revenues over costs, the reward to a business for the risk it undertakes in offering a product for sale. In contrast to business firms, a *not-for-profit organization* is an organization that serves its customers but does not have profit as an organizational goal. For simplicity, however, we use the terms *firm, company, corporation,* and *organization* to cover both business and not-for-profit operations.

Marketing and the Three Organizational Levels

All organizations should have a strategic direction—that is, they should have an idea of what they hope to achieve and how they plan to achieve it. Marketing not only helps set the direction but also helps the organization get there. Large organizations are complex and may consist of three organizational levels whose strategies are linked to marketing. **Figure 15–1** illustrates the three levels of strategy in an optimal organization.

Figure 15–1 The three levels of strategy in organizations: corporate, business unit, and functional



At the *corporate level*, top management directs overall strategy for the entire organization. Multimarket, multiproduct firms such as General Electric or Unilever really manage a group of different businesses, variously termed strategic business units

(SBUs), strategic business segments, or product-market units (PMUs).[2] Each of these units markets a set of related products to a clearly defined group of customers. Management at the corporate level focuses on the interests of the shareholders of the firm, as measured by stock performance and profitability.



Similar to adjusting trajectory in the game Angry Birds, marketers make slight adjustments after executing their strategies.

OlegDoroshin/Shutterstock

The *business unit level* has business unit managers who set the direction for individual products and markets. Strategic direction is more specific at the business unit level of an organization. For less complex firms with a single business focus, the corporate and business unit strategies may merge. Unilever has provided products such as Sunlight and Vaseline to Canadians for over 100 years. Another example of one of its strategic business units is Ben & Jerry's, a premium ice cream company with fun flavour names.[3]

At the *functional level*, each business unit has marketing and other specialized activities such as finance, manufacturing, or human resources. The name of a *department* generally refers to its specialized function, such as the marketing department or information systems department. At the functional level, the strategic direction becomes very specific and focused.

In a large corporation with multiple business units, marketing may be called on to assess consumer trends as an aid to corporate planning. At the business unit level, marketing may be asked to provide leadership in developing a new, integrated customer service program across all business units. At the functional level, marketing may implement an advertising campaign.

Strategy Issues in Organizations

LO 2 Organizations need a reason for their existence—and a direction. This is where their business, mission, and goals converge. We'll discuss each below. **Figure 15–1** illustrates the different organizational levels in a business. Business and mission apply to the corporate and business unit levels, while goals relate to all levels.

Strategy Defined for Business Plans and Marketing Plans

As discussed earlier, an organization has limited resources available to produce and market its offerings. Since it cannot possibly do everything, it must develop strategies to focus and direct the resources it has to achieve its goals. Unfortunately, the definition of *strategy* is debated among management and marketing theorists, so for our purposes, we will define **strategy** as an organization's long-term course of action designed to deliver a unique customer experience while achieving its goals.[4] Once the strategy of an organization or an organizational initiative is defined, business leaders collaborate to develop a marketing plan.

Getting ideas and goals down on paper is the first step to making them into reality. The business plan becomes a valuable tool for organizations to do this. It is a document that can help convey the value of your company to investors, employees, and future partners. Business plans help identify the strengths, weaknesses, opportunities, and threats of a business, as well as help develop accurate financial forecasts. Essential to the overall business plan, a marketing plan helps a business develop the right products to address customer needs, establish the best way to promote the business, and determine where the product will be distributed. Advertising and communications are also important components of the marketing plan.[5]

The Business

Organizations such as Canadian Blood Services and your college or university exist for a purpose—to accomplish something for someone. At the beginning, most organizations have clear ideas about what *something* and *someone* mean. But as the organization grows over time, often its purpose becomes fuzzy and unclear.

This is where the organization repeatedly asks some of the most difficult questions it ever faces: What business are we in? Who are our customers? What offerings should we provide to give these customers value? One guideline in defining the company's business is to try to understand the people served by the organization and the value they receive, which emphasizes the critical customer-driven focus that successful organizations have.

In a now-famous article entitled "Marketing Myopia," Harvard professor Theodore Levitt cited railroads as organizations that had a narrow, production-oriented statement of their business: "We are in the railroad business!" This narrow definition of their business lost sight of who their customers were and what their needs were. Railroads saw only other railroads as competitors and failed to design strategies to compete with airlines, barges, pipelines, trucks, bus lines, and cars and may have fared better over the past century by recognizing they are in "the transportation business." Examining business from a broader perspective allows you apply this concept to companies such as Disney. Disney is *not* in the movie and theme park business, but rather it *is* in the business of entertainment, creating fun and fantasy for customers.

The Mission

By understanding its business, an organization can take steps to define its **mission**, a statement of the organization's scope, often identifying its customers, markets, products, technology, and values. Today often used interchangeably with *vision*, the *mission statement* frequently has an inspirational theme—something that can ignite the loyalty of customers, employees, and others with whom the organization comes in contact.

Inspiration and focus appear in the mission statements of business and non-profit organizations. Even if the businesses are different, their mission statements can exhibit similar qualities:

- **Ben & Jerry's (Product Mission):** "To make, distribute and sell the finest quality all natural ice cream and euphoric concoctions with a continued commitment to incorporating wholesome, natural ingredients and promoting business practices that respect the Earth and the Environment."
- **Canadian Blood Services:** "... operates Canada's blood supply in a manner that gains the trust, commitment and confidence of all Canadians by providing a safe, secure, cost-effective, affordable and accessible supply of quality blood, blood products and their alternatives."
- **MEC:** "... to support our members to lead active outdoor lifestyles."

Each mission statement illustrates clear direction and challenging and compelling pictures for their futures. Ben & Jerry's goes so far as to add a mission focused on social responsibility as well as a mission for its product. IBM has put strategy in place to create a "smarter planet." It is driven by three core values that help it create its mission statement.

Organizations must connect not just with their customers but with all their *stakeholders*. Stakeholders are the people who are affected by what the company does and how well it performs. This group includes employees, owners, and board members, as well as suppliers, distributors, unions, local communities, governments, society in general, and, of course, customers.

Communicating the mission statement is an important corporate-level marketing function. Some companies publish their mission statement on their website or in their annual reports. One British Columbia company has its mission statement on a huge wall poster in its manufacturing facility, and every employee reads and signs it.

The Making Responsible Decisions box, **To "B" or not to "B"** discusses the benefits a company that adheres to corporate values can bring to society.[6]

Making Responsible Decisions

To "B" or not to "B"

Many Canadian companies have chosen a strategy that puts social and environmental issues in line with their pursuit of profits. This can be a key differentiator as Canadian consumers are becoming more aware of and accountable for their own sustainable practices. Unfortunately, not all companies are transparent in their green practices, and there have been instances of greenwashing as well as shared sustainable initiatives that are really doing harm rather than good.

Fortunately, there are organizations that provide guidance about good sustainability practices, help companies hold themselves accountable, and even grant certifications to those that are maintaining the highest standards of sustainable impact.

B Lab is a non-profit organization that certifies companies as Certified B Corporations. The “B” stands for *benefit*. Certified B Corporations go beyond creating shareholder value and hold themselves accountable to other stakeholders, including the environment, their employees, and the local community. B Corps are take this commitment seriously, going as far as changing their corporate charter to hold directors and officers accountable to all stakeholders. This legal requirement can create a distinction between a company that has sustainable initiatives to one that is evolving to become a sustainable organization.



Some organizations have decided their strategy is to use business as a force for good.

Gado Images/Alamy Stock Photo

B Corporations were first certified in 2007, and today there are over 6,000 B Corporations in 80-plus countries. Certified B Corporations meet high standards in various stakeholder categories, and have strong employee benefits and philanthropic impact on their communities. Though these organizations tend to be small- and

medium-sized businesses, industry leaders like Ben & Jerry's and Patagonia are examples of large organizations leading the sustainability initiative.

Although it has taken over 25 years to reach its current level of awareness, the future of B Lab and similar certification organizations is bright. More and more Canadian consumers, and consumers around the world are holding their brands accountable. People are looking at success beyond profits, and want to work with companies that understand that people and the planet matter just as much as making money.

The Certified B Corporation application is not an easy one. Excelling at social and environmental performance, public transparency, and legal accountability has not been the norm. B Corps declare that they "must be the change we seek in the world," and "that, through their products, practices, and profits, businesses should aspire to do no harm and benefit all." For the companies that choose to go this route, it is definitely a benefit for the consumers that choose to do business with them.

Questions

1. What would have to be true for an organization to pursue a B Corp certification?
2. Why do you think companies choose not to pursue a B Corp certification or any other type of certification?

Goals

Goals or **objectives** take an organization's mission and translate it into targeted levels of performance to be achieved within a specific time frame. These goals measure how well the mission is being accomplished. Goals exist at the corporate, business unit, and functional levels, which were shown in **Figure 15–1.** All lower-level goals must contribute to achieving goals at the next highest level.

Business firms can pursue several different types of goals:

- **Profit:** Most firms seek to maximize profits—to get as high a financial return on investment (ROI) as possible.
- **Sales:** A firm may elect to maintain or increase its sales level even though profitability may not be maximized.
- **Market share:** A firm may choose to maintain or increase its market share, sometimes at the expense of greater profits if industry status or prestige is a desired goal. *Market share* is the ratio of sales revenue of the firm to the total sales revenue of all firms in the industry, including the firm itself.
- **Quality:** A firm may target the highest quality, as Rolex does with its luxury wristwatches.
- **Customer satisfaction:** Customers are the key to an organization's success, so their perceptions and actions are of vital importance. Their satisfaction can be measured directly with surveys.
- **Employee welfare:** A firm may recognize the critical importance of its employees by having an explicit goal stating its commitment to good employment opportunities and working conditions.
- **Social responsibility:** A firm may seek to balance conflicting goals of stakeholders to promote overall welfare, even at the expense of profits. For example, MEC focus on corporate social responsibility. has helped underscore that applying socially responsible practices makes good business sense, adds to the bottom line of many Canadian companies.[7]

Canada's Biggest Companies

1. Royal Bank of Canada
2. Toronto Dominion Bank
3. Enbridge
4. Canadian National Railway

5. Canadian Pacific Railway
6. Bank of Montreal
7. Canadian Natural Resources
8. Scotiabank
9. Thomson Reuters
10. Shopify

Source: "10 Biggest Canadian Companies by Market Cap 2023," Canada Telecommunications, February 21, 2023, www.ctca.ca/10-of-the-biggest-canadian-companies/.

Goals keep organizations focused and achieving goals help companies grow. Many organizations (for example, museums, symphony orchestras, and private schools) do not seek profits as a primary goal. These organizations strive to serve consumers as efficiently as possible. Government agencies also perform marketing activities in trying to achieve their goal of serving the public good.

Marketing Budgets and Financials

Clearly stating goals in a marketing plan is important. Aligning marketing objectives and financial objectives of a company is also important since discrepancies between chief marketing officer (CMO) and chief financial officer (CFO) activities can have a negative impact on financial results.[8]

The break-even analysis and profit equation, discussed in **Chapter 9**, help develop a pricing strategy for products and services. With key assumptions, marketing plans need to generate sales forecasts to determine the amount of money or sales that will be generated. These sales help the business's finance team forecast a company's cash flow and profit and loss for its overall business plan. Marketers rely on historical information, emerging trends, and assumptions to look forward, and then suggest the potential impact that marketing will have on the company's success.[9]

Determining how marketing spending impacts company profitability is an ongoing challenge for CMOs.[10] With this challenge looming, marketers need to be able to prepare accurate budgets for their marketing plans. Since forecasts in marketing plans may be relied upon for other decisions, it is important for marketers to ensure that more than one forecast is created. Considering realistic, optimistic, and pessimistic forecasts helps decision-makers see expected, best-case, and worst-case scenarios. Preparing forecasts and budgets provides an opportunity for companies to predict future revenues and expenses while looking for ways to cut costs. To help improve accuracy in budgeting and forecasting for marketing, marketers may review past sales, consider upcoming contracts, and propose predictions to potential changes in the market.[11]

Tracking Strategic Performance

LO 3 Although marketing managers can set strategic directions for their organizations, how do they know if they are making progress in getting there? One answer is to measure performance by using marketing dashboards.

Once the marketing plan is put into practice, it is immediately evaluated. Measuring the results of a marketing plan is a key step in achieving client satisfaction. As we review marketing metrics and dashboards, the tools and technology we are discussing today, may be obsolete in a few years.

Notwithstanding, technology has added value to measuring the results from the investments made in marketing research and creative. When describing the importance of metrics, we can relate it to Angry Birds, the video game by Rovio. Before metrics and dashboards, marketing plans would be executed with a ready-aim-fire approach. That is, marketers would not receive feedback until the campaign was complete.

The digital age we are in right now allows us to execute marketing plans with an aim-fire-adjust approach. After we execute a part of the recruitment marketing plan, we use the metrics to quickly adjust our plan and get closer to our desired result.

Marketing Dashboards

A **marketing dashboard** is the visual display of the essential information related to achieving a marketing objective. Often, it is a computer-based display with real-time information and active hyperlinks to provide further detail. For example, a CMO may want to see daily what the effect of a new TV advertising campaign is on a product's sales in order to allocate future marketing resources effectively. Dashboards can track other parts of an organization's business, including the impact of its corporate social responsibility endeavours. Similar to a dashboard in a car, marketing dashboards can give feedback at a quick glance.

"What the marketing dashboard shows are the key marketing metrics that the organization believes will drive it to success."

MARKETING TIP

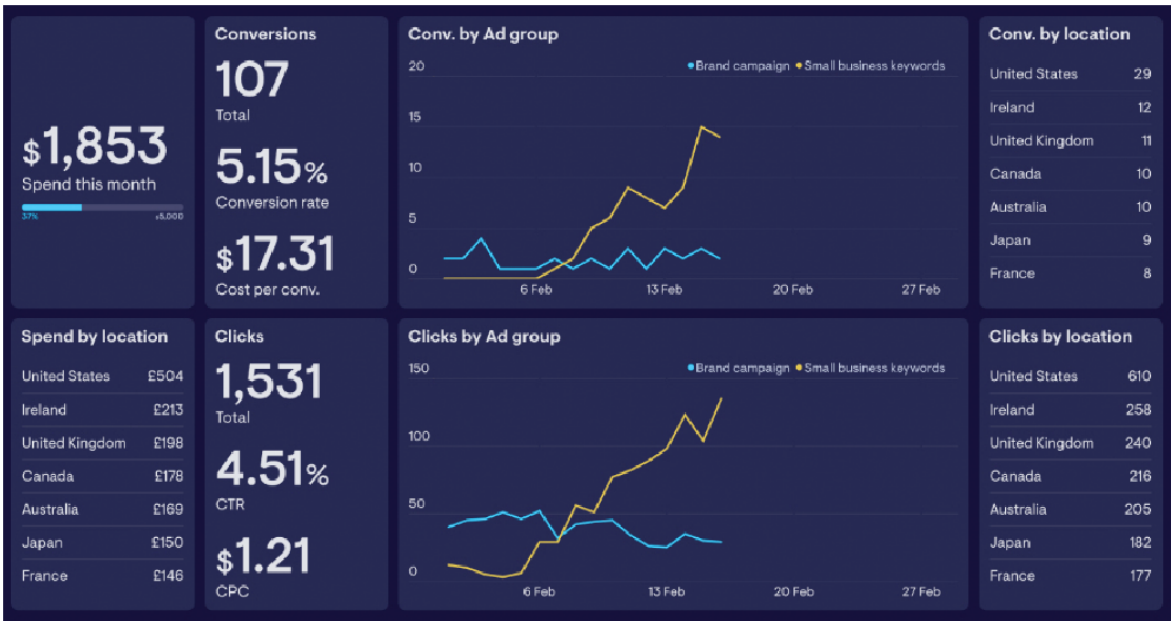
"Our strategy was to build a better mouse trap."

- Cory Snyder, sales director, SeeWhy Learning

Marketing Metrics

Most companies keep their marketing dashboards and metrics proprietary, as the information in the dashboard gives an indication as to the organization's strategy. Marketing dashboards are similar to the accountability report dashboard shown in **Figure 15–2**. The graphic displays of marketing dashboards are key performance measures of a product category, such as sales versus cost of sales. Each variable in a marketing dashboard is a **marketing metric**, which is a measure of the quantitative value or trend of a marketing activity or result. The choice of which marketing metrics to display is critical for a busy marketing manager, who can be overwhelmed with too much or inappropriate information.

Figure 15–2 Example of a marketing dashboard
An effective dashboard, like the one below, helps marketing managers assess ad performance at a glance.



Geckoboard

Dashboard designers take great care to show graphs and tables in easy-to-understand formats to enable clear interpretation at a glance. What the marketing dashboard shows are the key marketing metrics that the organization believes will drive it to success.

Critical Thinking for Marketing

1. *What are the benefits of three levels of organization in large corporations?*
2. *Why is the mission so important to the organization?*
3. *What are stakeholders?*

Setting Strategic Direction

LO 4 Setting strategic direction for drawing employees or consumers closer to an organization involves answering challenging questions: Where are we now? Where do we want to go? How will we get there?

A Look Around: Where Are We Now?

Asking an organization where it is at the present time involves identifying its customers, competencies, and competitors. More-detailed approaches of assessing "where are we now?" include SWOT analysis, discussed later in this chapter, and environmental scanning (Chapter 2). It is important for an organization to look internally and externally to assess its starting point. These approaches may be carried out at each of the three levels in the organization.



MEC distributes Garmin products, another company committed to being a good corporate citizen.

©Ovu0ng/Shutterstock

Customers

Tilley Endurables is a Canadian retailer that knows that its customers appreciate the fine hats and travel clothing that Tilley makes. Tilley provides an example of a clear focus on customers. Its stores and website give a remarkable statement about its commitments to customer relationships and the quality of its products. The Tilley guarantee for its legendary hats has always been an unconditional one: "Tilley Hats will be replaced free if they ever wear out, mildew, or shrink." The same guarantee applies to some of their shorts, vests, jackets, pants, and skirts. They are replaced free if they ever wear out.[12]

Competencies

"What do we do best?" asks about an organization's competencies—an organization's special capabilities, including skills, technologies, and resources that distinguish it from other organizations. Exploiting these competencies can lead to success.[13] In Tilley's case, its competencies include an obsession with quality. To quote the founder Alex Tilley, "I'll make travel clothing! I'll make it the best in the world! And then I'll make it even better!" Tilley Endurables is one of the last remaining companies to manufacture all its products in Canada.[14]

Competitors

After understanding your business internally, it is important to set your analysis externally. In today's global competition, the lines among competitive sectors are increasingly blurred. This may not be as evident in the apparel industry, but consider Loblaws. Loblaws competes directly with other supermarkets such as Sobeys. At the same time, it competes against mass merchandisers such as Walmart Supercentres, which also carry groceries, and it competes with warehouse clubs such as Costco.

Loblaws also carries many pharmacy items, which puts it into direct competition with pharmacies such as Shoppers Drug Mart and Pharma Plus. Shoppers Drug Mart carries many lines of cosmetics, which puts it in direct competition with department stores such as Hudson's Bay, which traditionally carries cosmetics.

The crucial point: strategic directions must be customer-focused and provide genuine value and benefits to existing and prospective customers. There should be clear competency for the organization and a good understanding of competition.

Strategic directions can also include using your organization's influence and brand power for good. The Marketing Matters box, **The Power of Dove**, discusses how Unilever is using its Dove brand to help Canadians.[15]

Marketing Matters

The Power of Dove

When there are important issues to address, Canadian consumers look to leaders in the industry to help create change. Unilever is one of those leaders, and their Dove brand is addressing these issues. The Dove Self-Esteem Project is combating the influences that lead to body dissatisfaction and appearance-based discrimination. This includes training, addressing digital distortion of photos, and advocating for more diversity in the beauty industries.

The Dove brand is also reviewing its social media, understanding how it can impact Canadian youth. Through the Dove Self-Esteem Project, Unilever has targeted the negative mental health effects of social media. With some youth feeling like they need to manipulate their own selfie images, the Dove Self-Esteem Project has directly addressed the issue by launching campaign videos and partnered with organizations.



Copyright © 2023 Unilever

Dove has used research to better understand these problems, and strategically develop marketing programs to get its message out. It has also announced support for the Centre for Addiction and Mental Health (CAMH) and its Youth Wellness Hubs Ontario (YWHO) network. This support includes programs that driven early intervention, and create more inclusive access to youth struggling with mental health.

The various campaigns that Dove help show that everyone is beautiful. As are these great initiatives by this responsible brand.

Questions

1. What are other social issues that you believe companies should address? Which issue, and which company?
2. Where have you seen diversity in marketing ads? What were the ads for?

Growth Strategies: Where Do We Want to Go?

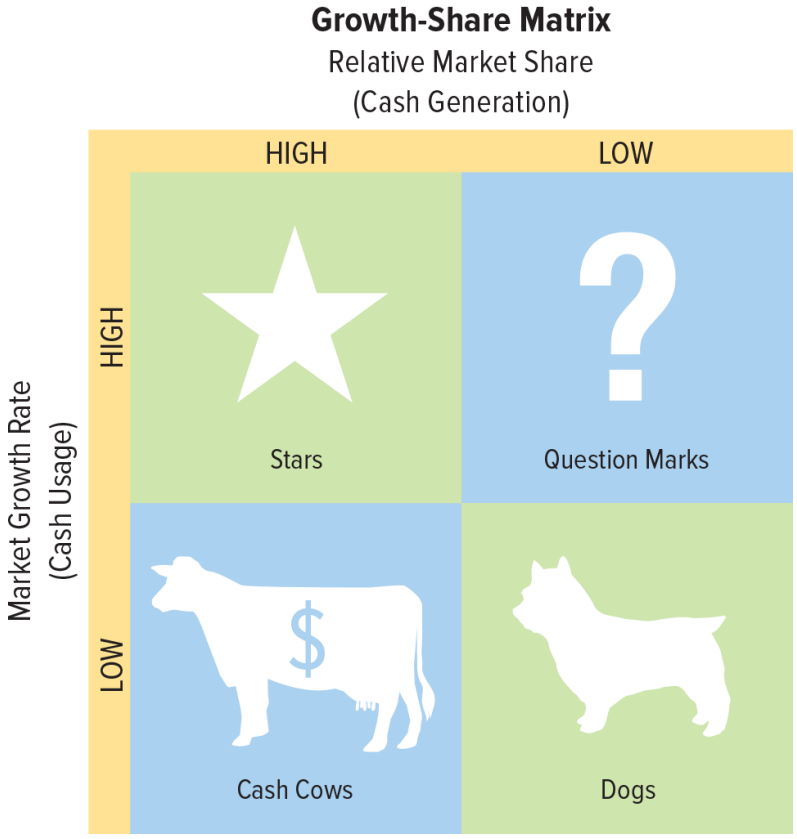
Knowing where the organization is at the present time enables managers to set a direction for the firm and commit resources to move in that direction. Two techniques to aid in these decisions are the business portfolio analysis and the market-product analysis.

Business Portfolio Analysis

Developed by the Boston Consulting Group (BCG), *business portfolio analysis* uses quantified performance measures and market growth rates to analyze a firm's strategic business units as though they were a collection of separate investments.[16] While used at the business unit level here, the BCG analysis has also been applied at the product line or individual product or brand level. This kind of portfolio analysis is very popular; most large firms have used it in some form.

BCG, a leading management consulting firm, advises its clients to locate the position of each of its SBUs on a growth-share matrix (Figure 15–3). The vertical axis is the *market growth rate*, which is the annual rate of growth of the specific market or industry in which a given SBU is competing. The horizontal axis is the *relative market share*, defined as the sales of the SBU divided by the sales of the largest firm in the industry.

Figure 15–3 Boston Consulting Group's growth-share matrix for a strong, diversified firm showing some strategic plans



BCG has given specific names and descriptions to the four resulting quadrants in its growth-share matrix based on the amount of cash they generate for or require from the firm:

- *Cash cows* are SBUs that typically generate large amounts of cash, far more than they can invest profitably in their own product line. They have a dominant share of a slow-growth market and provide cash to pay large amounts of company overhead and to invest in other SBUs.
- *Stars* are SBUs with a high share of high-growth markets that may need extra cash to finance their own rapid future growth. When their growth slows, they are likely to become cash cows.
- *Question marks* or *problem children* are SBUs with a low share of high-growth markets. They require large injections of cash just to maintain their market share, and even more to increase it. Their name implies management's dilemma for these SBUs: choosing the right ones to invest in and phasing out the rest.
- *Dogs* are SBUs with a low share of low-growth markets. Although they may generate enough cash to sustain themselves, they do not hold the promise of ever becoming real winners for the firm. Dropping SBUs that are dogs may be required, except when relationships with other SBUs, competitive considerations, or potential strategic alliances exist.[17]

Market-Product Analysis

Firms can also view growth opportunities in terms of markets and products. Think of it this way: For any product, there is both a current market (consisting of existing customers) and a new market (consisting of potential customers). And for any market, there is a current product (what they're now using) and a new product (something they might use if it were developed). Four possible market-product strategies are shown in Figure 15–4.

Figure 15–4 Four market-product strategies: Alternative ways to expand sales revenues for Ben & Jerry's

	Products	
Markets	**Current**	**New**
Current	**Market penetration** Selling more Ben & Jerry's super premium ice cream in North America	**Product development** Selling a new product such as frozen yogurt under the Ben & Jerry's brand in North America
New	**Market development** Selling Ben & Jerry's super premium ice cream in Brazil for the first time	**Diversification** Selling a new product such as breakfast cereal in China for the first time

As Unilever attempts to increase sales revenues of its Ben & Jerry's business, it must consider all four of the alternative market-product strategies shown in Figure 15–4. For example, it can try to use a strategy of *market penetration*—increasing sales of present products in its existing markets, in this case by increasing sales of Ben & Jerry's present ice cream products to consumers. There is no change in either the basic product line or the market served, but increased sales are possible—either by selling more ice cream (through better promotion or distribution) or by selling the same amount of ice cream at a higher price to its existing customers.

Market development is a marketing strategy to sell current products to new markets. For Ben & Jerry's, Brazil is an attractive new market. There is good news and bad news for this strategy: as household incomes of Brazilians increase, consumers can buy more ice cream; however, the Ben & Jerry's brand may be unknown to Brazilian consumers.

An expansion strategy using *product development* involves selling a new product to existing markets. When Ben and Jerry's launched sorbet and frozen yogurt products, the firm was following a product development strategy. Figure 15–4 shows that the firm could try leveraging the Ben & Jerry's brand by selling its own frozen yogurt in North America.

Diversification involves developing new products and selling them in new markets. This is a potentially high-risk strategy for Ben & Jerry's—and for most firms—because the company has neither previous production experience nor marketing experience on which to draw. For example, in trying to sell a Ben & Jerry's brand of breakfast cereal in China, the company has expertise neither in producing cereals nor in marketing to consumers in China. Fast-food giant McDonald's has implemented diversification strategies to gauge success prior to introducing new product development in an established market. An example of this is its McCafé launch in Australia in 1993, many years before it came to North America.



McDonald's introduced McCafé in Australia, as well as the Veg McMuffin and the McVeggie in India, all examples of its diversification strategy.

dwcreations/Shutterstock

Diversification can take different forms to open a company to new opportunities and threats. When Rogers purchased the Toronto Blue Jays, it got into a completely new area of business. Diversification can also consist of a company introducing a variation of a product to a new market. For example, McDonald's introduced product variations in India including the Veg McMuffin™ and the McVeggie™ to appeal to the high population of vegetarians.

Critical Thinking for Marketing

1. *Why is it important to know what your competencies are?*
2. *How can you use business portfolio analysis to help improve your business?*

The Strategic Marketing Process

LO 5 Organizations can start with a strategy that works for existing market conditions and be successful in the short term; however, it is companies that are willing to pivot when circumstances change that are successful in the long term. Netflix changed its business model to benefit from the digital age.

In the late 1990s, there was no live streaming. Consumers rented videotapes from stores, and were charged late fees for videotapes that were not returned on time. Reed Hastings paid the $40 late fee, and realized there was a bigger market than video stores were reaching. Mr. Hastings created a movie-rental business by mail. Instead of going to the video store, you could have your content mailed to you in the form of videotapes.

The founder and chief executive officer of Netflix evolved his business as a subscription service. When movies went from videotapes to DVDs, the Netflix DVDs-by-mail model delivered movies on DVD to customers for a fixed monthly fee—and drove competitors out of business.



Netflix used insight from the strategic marketing process to evolve its business model.

r.classen/Shutterstock

In 2008, when technology was able to stream movies on computers, Netflix evolved its business again. With Netflix breaking a series of technology barriers, it introduced “any movie, any time.”

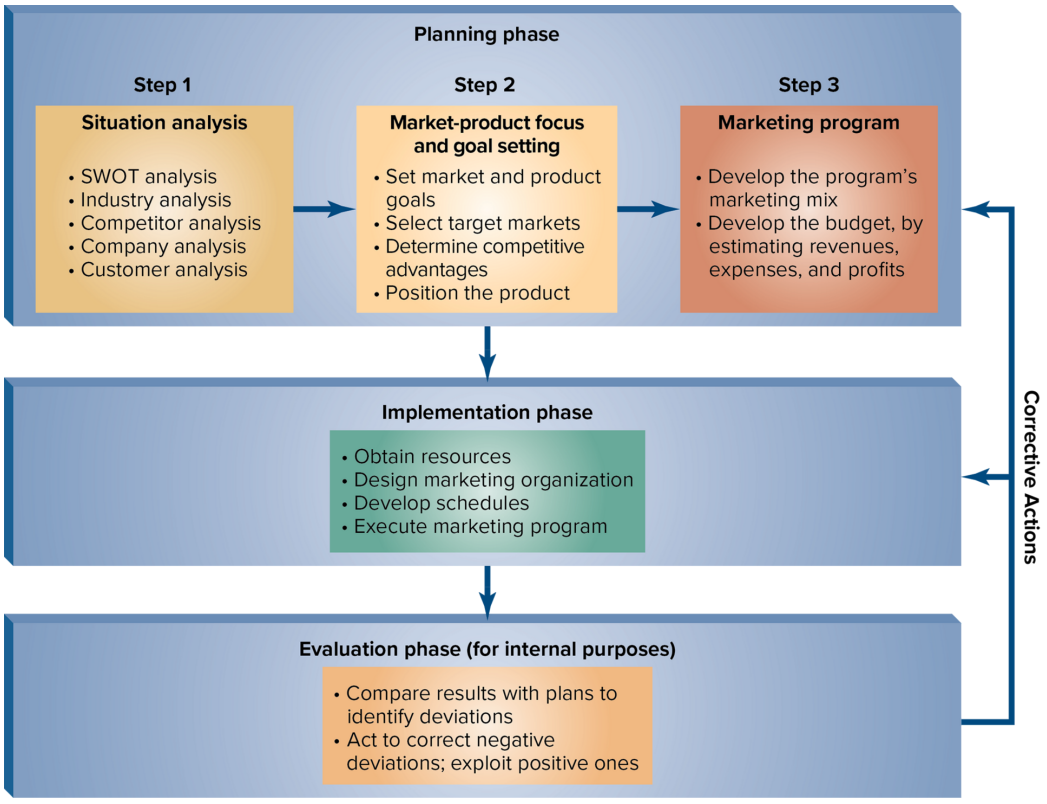
In the first quarter of 2023, Netflix generated over US$8 billion in revenue, and after distributing over 5 billion DVDs, ended its DVD service. By altering its business model to respond to changing consumer demand and technologies, Netflix keeps itself flexible to respond to market demand. Furthermore, the organization's foresight of investing in original content allows it to stay competitive.[18]

Netflix is a great example of the strategic marketing process in action. In general, after an organization assesses where it's at and where it wants to go, it must work out how it will get there. Specifically, it must decide the following:

- How to allocate resources
- How to convert plans into actions
- How results compare with plans, and whether deviations (results that differ from expectations) require new plans and actions

This approach is used in the **strategic marketing process**, whereby an organization allocates its marketing mix resources to reach its target markets and achieve its goals. The strategic marketing process is so central to the activities of most organizations that they formalize it as a **marketing plan**, which is a road map for the marketing activities of an organization for a specified future period of time, such as one year or five years. The marketing plan is divided into three phases: planning, implementation, and evaluation (**Figure 15–5**). See **Appendix A** for an example of a marketing plan, which also includes an executive summary.

Figure 15–5 Outline of a marketing plan



This chapter's opening vignette focuses on the strategic marketing process for an online learning organization. Both for-profit and not-for-profit industries use the strategic marketing process to help achieve their long-term visions and to satisfy stakeholders' requirements. The following sections give an overview of the marketing plan that puts all chapters of this book in perspective.

The Planning Phase of the Marketing Plan

As shown in **Figure 15–5**, the planning phase of the marketing plan consists of the three steps shown at the top of the figure: situation analysis, market–product focus and goal setting, and the marketing program. Let's use the recent marketing planning experiences of several companies to look at each of these steps.

Step 1: Situation Analysis

The essence of a *situation analysis* is taking stock of the firm's or product's past performance, where it is now, and where it is headed in light of the organization's plans and the external factors and trends affecting it. The situation analysis box in **Figure 15–5** is the first of the three steps in the planning phase.

Step 1 starts with a *SWOT analysis*, which describes an organization's appraisal of its internal **S**trengths and **W**eaknesses and its external **O**pportunities and **T**hreats. Both the situation and SWOT analyses can be done at the level of the entire organization, the business unit, the product line, or the specific product. As an analysis moves from the level of the entire organization to the specific product, it, of course, gets far more detailed. For small firms or those with basically a single product line, an analysis at the firm or product level is really the same thing.

"A SWOT analysis helps a firm identify the strategy-related factors that can have a major effect on the firm."

Let's assume you are the Unilever vice-president responsible for integrating Ben & Jerry's into Unilever's business. You might do the SWOT analysis shown in **Figure 15–6**. Note that your SWOT table has four cells formed by the combination of internal versus external factors (the rows) and favourable versus unfavourable factors (the columns) that summarize Ben & Jerry's strengths, weaknesses, opportunities, and threats.

Figure 15–6 Ben & Jerry's: A SWOT analysis

Location of Factor	Type of Factor	
	Favourable	**Unfavourable**
Internal	**Strengths** • Prestigious, well-known brand name among North American consumers • Major share of the super premium ice cream market • Can complement Unilever's existing ice cream brands • Widely recognized for its social responsibility actions	**Weaknesses** • Danger that B&J's social responsibility actions may add costs, reduce focus on core business • Need for experienced managers to help growth • Flat sales and profits in recent years
External	**Opportunities**	**Threats**

Location of Factor	Type of Factor	
	Favourable	Unfavourable
	• Growing demand for quality ice cream in overseas markets • Increasing demand for frozen yogurt and other low-fat desserts • Success of many firms in extending successful brand in one product category to others	• Consumer concern with fatty desserts; B&J customers are the type who read government-ordered nutritional labels • Competes with Haagen-Dazs brand • Increased competition in international markets

A SWOT analysis helps a firm identify the strategy-related factors in these four cells that can have a major effect on the firm. The goal is not simply to develop the SWOT analysis but to translate the results of the analysis into specific actions to help the firm grow and succeed. The ultimate goal is to identify the critical factors affecting the firm and then build on vital strengths, correct glaring weaknesses, exploit significant opportunities, and avoid or prepare for disaster-laden threats. That is a big order.

The Ben and Jerry's SWOT analysis in **Figure 15–6** can be the basis for these kinds of specific actions. An action in each of the four cells might be as follows:

- **Build on a strength.** Find specific efficiencies in distribution with Unilever's existing ice cream brands.
- **Correct a weakness.** Recruit experienced managers from other consumer product firms to help stimulate growth.
- **Exploit an opportunity.** Develop a new line of low-fat yogurts to respond to consumer health concerns.
- **Avoid or prepare for a disaster-laden threat.** Focus on less risky international markets, such as Mexico.



One of Ben & Jerry's 75 flavours of ice cream.

©Keith Homan/Shutterstock

The next areas to consider in step 1 are as follows:

- The *industry analysis* section focuses on the industry and trends.
- The *competitor analysis* section looks at the firm's competitors.
- The *company analysis* section provides details of the company itself.
- The *customer analysis* section addresses the question: Who are the customers of the firm's products?

Step 2: Market-Product Focus and Goal Setting

Determining which products will be directed toward which customers (step 2 of the planning phase in **Figure 15-5**) is essential for developing an effective marketing program (step 3). This decision is often based on *market segmentation*, which involves considering prospective buyers in terms of groups, or segments. These groups have common needs and will respond similarly to a marketing program. Ideally, a firm can use market segmentation to identify the segments on which it will focus its efforts—its target market segments—and develop one or more marketing programs to reach them.

Goal setting involves setting measurable marketing objectives to be achieved. For organizations launching a recruitment marketing campaign, the objective is applications and hires. Entertainment companies such as Netflix measure the number of members as well as the number of hours of television shows and movies that are downloaded. An organization selling apparel, such as Tilley Endurables, sets objectives for its product categories and offerings. When viewing the entire marketing program, objectives are often a series of actions to be implemented over several years.

Using the marketing plan outline shown in **Figure 15–5**, step 2 can be illustrated using Sleep Country Canada as an example:

- **Set market and product goals.** Based on listening to what is important to customers, Sleep Country Canada offers lots of choice in mattresses. It also makes each experience before, during, and after the sale an enjoyable one for the customer. One of its market goals may be to increase its market share by a certain percentage in the retail mattress business in Canada. It's important to quantify the percentage so that the company can measure whether it successfully meets its goals.
- **Select target markets.** Sleep Country Canada targets consumers who want a quality mattress as well as a positive customer service experience.
- **Determine competitive advantages.** **Competitive advantages** are those characteristics of a product that make it superior to competing substitutes. Sleep Country Canada offers the mattress purchaser an enjoyable customer service experience unparalleled in this market. It offers clean, bright stores; sleep experts who put the customer's comfort and budget needs first; and courteous delivery people.
- **Position the product.** Sleep Country Canada is positioned as a mattress specialist that offers quality products with the added benefit of courteous and knowledgeable staff, an attractive in-store setting, and a convenient delivery service.

Details in these four elements of step 2 provide a solid foundation to use in developing the marketing program—the next step in the planning phase of the marketing plan.

Ben & Jerry's Non-dairy Debut

In Canada, Ben & Jerry's debuted three non-dairy, almond-based frozen treats as a marketing strategy to adapt to the changing dietary needs of consumers:

1. Chocolate Fudge Brownie

2. P.B. Cookies

3. Coffee Caramel Fudge

Today, the non-dairy ice cream lineup includes

- Cherry Garcia®
- Chocolate Chip Cookie Dough
- Netflix & Chill'd™
- P.B. & Cookies
- Peanut Butter Half Baked®
- The Tonight Dough®

Source: "Non-Dairy Ice Cream Pints," Ben & Jerry's website, accessed May 14, 2023 at www.benandjerrys.ca/en/flavours/non-dairy?gclid=CjwKCAjwjYKjBhB5EiwAiFdSfk9p5e5hDyx3ktA6r395V3MQTTJT3OfJhmzsu1_PBlczhRp8Lw6UfBoCRZQQAvD_BwE&gclsrc=aw.ds; "Ben & Jerry's Canada Debuts 3 New Non-Dairy Frozen Treat Flavors," Canadify, February 22, 2017, http://canadify.com/2017/02/22/ben-jerrys-canada-debuts-3-new-non-dairy-frozen-treat-flavors/.

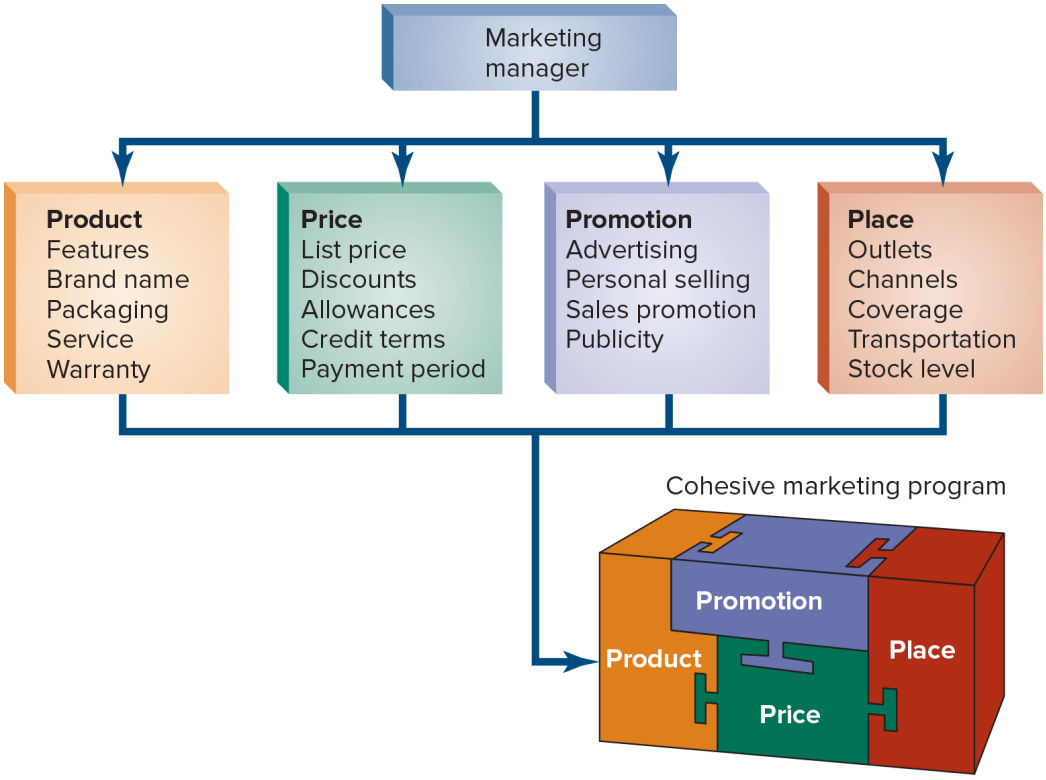
Step 3: Marketing Program

Activities in step 2 tell the marketing manager which customers to target and which of the customer needs the firm's product offerings can satisfy—the *who* and *what* aspects of the marketing plan. The *how* aspect—step 3 in the marketing plan—involves developing the program's marketing mix and its budget.

Figure 15–7 shows components of each marketing mix element that are combined to provide a cohesive marketing program. For Sleep Country Canada, the marketing mix activities can include the following:

- **Product strategy:** Offer consumers one of the largest selections of top name-brand mattresses.
- **Price strategy:** Offer consumers a low-price guarantee. If consumers find a comparable product at a competitor that is equal to or lower than Sleep Country Canada's price, the company will beat that figure by 5 percent.
- **Promotion strategy:** Sleep Country Canada uses mass media advertising to communicate its unique retail experience to prospective and current customers.
- **Place (distribution) strategy:** Sleep Country Canada is conveniently located in six Canadian provinces with 240 stores in total.

Figure 15–7 Elements of the marketing mix that comprise a cohesive marketing program



Putting a marketing program into effect requires that the firm commit time and money to it, prepare a sales forecast, and establish a budget that must be approved by top management. In some organizations, these are referred to as financial data and projections.

Critical Thinking for Marketing

1. *What is the difference between a strength and an opportunity in a SWOT analysis?*
2. *When determining marketing strategies, what are competitive advantages and why are they important?*

The Implementation Phase of the Marketing Plan

A firm's marketing plan is the result of the many hours spent in the planning phase of the strategic marketing process. Implementation, the second phase of the marketing plan, involves implementing the marketing program that emerges from the planning phase. An organization needs to invest time and resources into the planning phase of the marketing plan, but just as is important is the implementation phase. The implementation phase is the part of the process that executes the individual tactics that support the marketing strategy. **Figure 15–5** shows the four components of the implementation phase: obtaining resources, designing the marketing organization, developing schedules, and actually executing the marketing program designed in the planning phase.

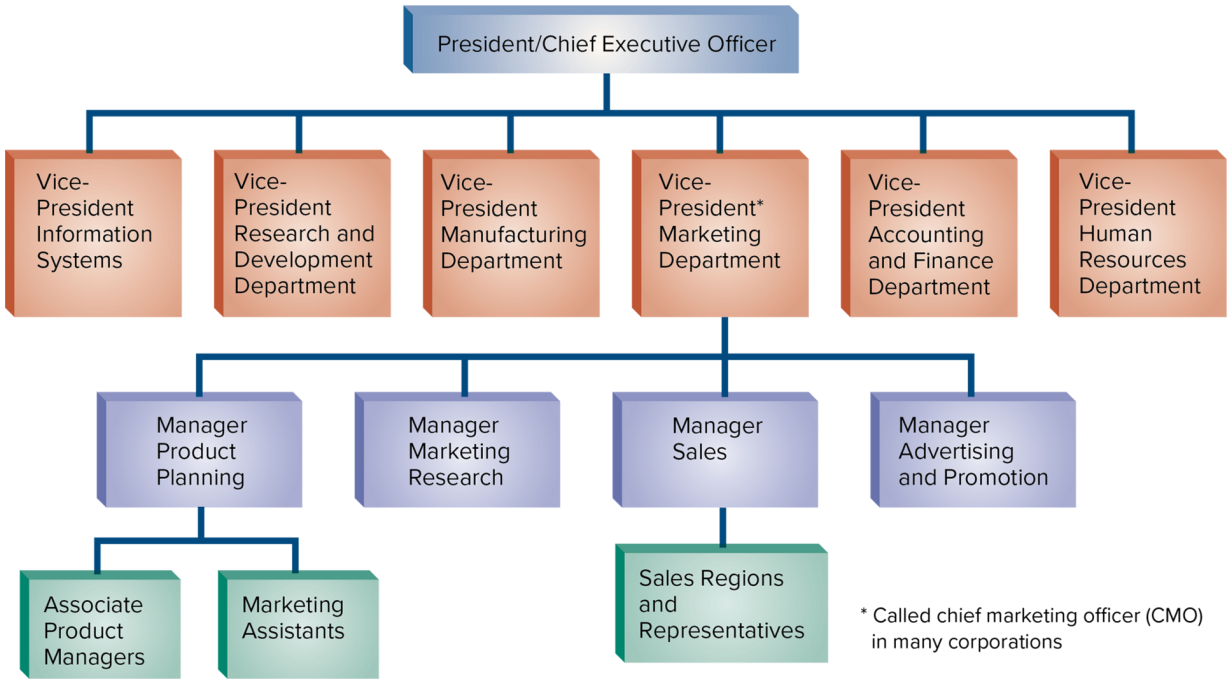
Obtaining Resources

Most companies have numerous options for growth. But such growth requires an investment. Corporate leadership within an organization determines the best options for growth and how they should be funded. Tying back to the three levels within an organization, it can sometimes be challenging to get support from all stakeholders. Ideally, this part of the process was already introduced during the planning phase and is more of a formality at this point.

Designing the Marketing Organization

A marketing program needs marketing staff to implement it. **Figure 15–8** shows the organization chart of a typical manufacturing firm, giving some details of the marketing department's structure. Four managers of marketing activities are shown to report to the vice-president of marketing. Several regional sales managers and an international sales manager may report to the manager of sales. This marketing organization is responsible for converting marketing plans to reality.

Figure 15–8 Organization of a typical manufacturing firm, showing a breakdown of the marketing department



Developing Schedules

Effective implementation requires developing appropriate schedules and determining specific deadlines for the creation and execution of marketing activities. For example, if a company wants to place an ad in the *Globe and Mail's Report on Business* magazine, it must reserve space a month prior to the date that the ad appears in the magazine. Also, the company must allow time for creating and producing the ad. Digital advertising allows for shorter advanced notice and tweaks to the creative process.

Executing the Marketing Program

Marketing plans are meaningless unless they are put into action. This requires attention to detail to both marketing strategies and marketing tactics. A **marketing strategy** is the means by which a marketing goal is to be achieved, usually characterized by a specified target market and a marketing program to reach it. Although the term *strategy* is often used loosely, it implies both the end sought (target market) and the means to achieve it (marketing program).

To implement a marketing program successfully, hundreds of detailed decisions are often required, such as writing ads or setting prices. These decisions, called **marketing tactics**, are

detailed day-to-day operational decisions essential to the overall success of marketing strategies.

The Evaluation Phase of the Marketing Plan

The evaluation phase of the marketing plan is used to determine if the plan is moving in the right direction. The marketing manager compares the results of the marketing activities with the goals laid out in the marketing plan to identify deviations and to act on these deviations—correcting negative deviations and exploiting positive ones. Dashboards displaying marketing metrics will allow decisions makers to determine the next step.

Identifying Deviations

At this point of the marketing plan, dashboards and marketing metrics help evaluate the marketing plan. When a company sets goals and then compares them to actual results, it needs to research the reasons for the differences. Where plans are exceeded, the company determines the drivers of this success and identifies ways to build on them as it moves forward. When there is a shortfall (actual results less than planned—often referred to as the *planning gap*), the company has to fill in this planning gap with a revised marketing program and possibly revised goals.

Acting on Deviations

Generally speaking, results of a marketing plan will not be exactly as anticipated. Sometimes, the marketing program falls short of its goals. When this occurs, managers need to take corrective action. This is called *correcting a negative deviation*. For example, if Sleep Country Canada is experiencing less-than-desired sales from an Internet campaign, it may re-evaluate where they are advertising.

Alternatively, when actual results are far better than the plan called for, creative managers find ways to exploit the situation. This is called *exploiting a positive deviation*. Continuing with the example, if Sleep Country Canada's sales are more than expected from certain digital media ads, it may consider investing more money into that part of the marketing program.

Whether an organization is selling ice cream, box-springs and mattresses, or the opportunity to work at the company, technology impacts its strategic marketing process. As businesses become more competitive new ideas, products, and processes must be explored.

Organizations focused on the strategic marketing process know that the business world is changing. Not only can we review results through dashboards quicker, but our world is changing, so strategy and marketing plans need to change with it.

Critical Thinking for Marketing

1. *How would you distinguish a marketing strategy from a marketing tactic?*
2. *Describe the four components of the implementation phase of the marketing plan.*

Summary...just the facts

LO 1 • Large corporations can be complex. This complexity among business firms and not-for-profit organizations requires the division into three functional levels: corporate, business unit, and functional.

- At the *corporate level*, top management directs overall strategy for the entire organization.
- The *business unit level* has business unit managers set the direction for individual products and markets.
- At the *functional level*, each business unit has marketing and other specialized activities such as finance, manufacturing, or human resources.

LO 2 • Businesses exist for various purposes and establish missions and goals. A business's mission is the statement of its direction. Goals are the targets the organization has set to be achieved within a specific time frame.

- Missions and goals are important to businesses as they help them establish direction and maintain their course.

LO 3 • In order to gauge the success of a marketing program, managers use marketing dashboards and marketing metrics to determine the performance of various elements of the marketing plan.

LO 4 • An organization develops its strategy and direction by first understanding its current status. This involves asking, "Where are we now?" to assess the organization's customers, competencies, and competitors. Asking, "Where do we want to go?" with techniques such as portfolio analysis and market–product analysis also help develop strategy. Furthermore, questions like "How will we get there?" helps create the marketing plan.

LO 5 • The strategic marketing process involves an organization allocating its marketing mix resources to reach its target markets using three phases: planning, implementation, and evaluation.

- The planning phase of the marketing plan has three steps, each with more specific elements: situation (SWOT) analysis, market–product focus and goal setting, and the marketing program.
- The implementation phase of the marketing plan has four key elements: obtaining resources, designing the marketing organization, developing schedules, and executing the marketing program.
- The evaluation phase of the marketing plan is used for internal purposes and involves comparing results with the planned targets to identify deviations and then taking action to correct negative deviations and exploit positive ones.

Key Terms and Concepts...a refresher

competitive advantages

goals (objectives)

marketing dashboard

marketing metric

marketing plan

marketing strategy

marketing tactics

mission

profit

strategic marketing process

strategy

Hands-on... APPLY YOUR KNOWLEDGE

Strategic Marketing Planning Assignment SeeWhy Learning has built long-term strategic partnerships through strategic planning and marketing. Review the components of the strategic planning process. Create a new business in an industry that interests you. Using the ideas from the vignette and **Figure 15–5** as a guide, outline a strategic marketing plan to gain more businesses as clients.

Chapter Vignette… ACTIVITY

In this chapter's opening vignette, you learned how companies may partner with outside organizations to create strategic marketing partnerships. Answer the Reality Check questions at the end of the vignette by reviewing the strategic marketing process in detail throughout the chapter.

An organization sets a mission to guide the overall direction. The ikigai diagram helps you to uncover your mission and can inform your career direction. Throughout this textbook the activities have been designed to help you complete your own ikigai diagram. Clues to your purpose can be found at the intersection of the four circles labelled, What You Love, What You Are Good At, What the World Needs and What You Can be Paid For. The information captured in your diagram can help you decide on the next step of your journey, whether that is to pursue additional training, join an organization, or start a venture of your own.

After interviewing for a role, if it goes well and you are a fit for the role, you might receive an offer. Be sure to review all the details. You may be able to negotiate the salary and the benefits. Knowing what a similar role is paid may allow you to negotiate a fair offer for yourself. Evaluate the opportunity against your ikigai diagram and check in with yourself as you decide if this role supports your meaningful career path.

As you move along your career journey, continue to revisit your diagram and the information in the four circles to check if you are still feeling on purpose. Use the diagram as a touchstone to check in with yourself.

Last, the ikigai diagram is a guide that can change. Feel free to update, add, or adapt it as you explore and learn new things about yourself and the world.

Enjoy the next step on your meaningful career journey!

Appendix A
Building an Effective Marketing Plan



Courtesy of SeeWhyLearning

When reviewing marketing plans of organizations, there are noticeable variations in strategy from company to company. Sustainability and greening are important to many, while market share are the priority of others.

A marketing plan is an excellent document to capture the marketing strategies and tactics of this organization. In this example, we illustrate each component of the strategic marketing process, including potential examples of corrective actions. Although plans may deviate from this outline, generally there is a planning phase, an implementation phase, and an evaluation phase. In planning, marketers complete a situation analysis, decide on a market–product focus and goal setting, and then create a marketing program.

Small to medium-size businesses may be constrained by human and financial resources. Creating an effective marketing plan can allow the business to see more results in an efficient and effective manner. As discussed in **Chapter 15**, SeeWhy Learning used various marketing strategies to be successful. This section suggests some guidelines for creating an effective marketing plan using hypothetical scenarios for the company.

Sample Marketing Plan for SeeWhy Learning

This is a **hypothetical** illustration of what SeeWhy Learning's marketing plan could look like. This plan is brief, given the hypothetical scenario, and is not SeeWhy Learning's actual marketing plan, although it does identify key elements that are required to provide clear direction to an organization. Marketing plans can be more robust so long as the information provided enhances the strategy for the reviewer.

1. Executive Summary

The following marketing plan outlines strategies for SeeWhy Learning, a company that provides distance learning training solutions to individuals and firms in the financial services industry.

SeeWhy Learning is located outside of Toronto's financial district but is able to service clients across Canada (or even globally) since most of its training solutions are offered remotely via online deliverables. The company has bricks-and-mortar locations in Milton and Huntsville, Ontario, and also offers its employees the opportunity to work remotely. This flexibility is a competitive advantage for SeeWhy Learning in the wake of the COVID-19 health crisis.

SeeWhy uses a blended approach to learning with many of its study packages, including video lessons, a condensed study guide, key concept flash cards, and exam preparation questions. It has had success offering training and development solutions to financial services organizations with preparatory study tools for over 20 different industry examinations, including securities, insurance, and even real estate licensing exams. SeeWhy Learning also ramped up training resources to some of the larger advisory companies in the investment industry by offering full-service solutions that include webinars and access to a dedicated study coach.

As the organization grows, profits are reinvested into the company's infrastructure. SeeWhy Learning's goal is to reach its target client businesses in a cost-effective manner.

SeeWhy Learning is certain that the financial advisory businesses in Canada will continue to have challenges with training recruits in demanding industry examinations. Regulatory requirements and exams tend to become more difficult with time, not easier.

Whether it is an entry-level examination or one with more complex concepts, the SeeWhy Learning offering addresses the business issues by clearly understanding the clients' needs. Its comprehensive and flexible solution allows customers to focus on their strengths and expertise while receiving access to exceptional training.

2. Company Description

Established in 2008, SeeWhy Learning began offering preparation tools to the financial services industry, and a few years later, it expanded to also support the real estate licensing exams in Ontario. As industry examinations become more challenging, with annual updates to content, more organizations are deciding to outsource the examination preparation process. SeeWhy Learning is able to win more business with a client-centric service approach and added-value ancillary services.

According to the Government of Canada, Canada has one of "the strongest financial services sectors in the world." Target companies for SeeWhy Learning include banks, credit unions, securities dealers, and independent insurance agencies and brokers. SeeWhy Learning has expanded its team to service its growing client base. The staff is known for being able to provide support to new industry registrants in a consultative and collaborative fashion. Team members are experts in their field, but they make technical and non-technical clients alike feel comfortable with their approach.

This hypothetical marketing plan describes how SeeWhy Learning can expand its presence within the financial services industry. It involves marketing strategies and tactics appropriate for an organization needing to maximize its resources.

3. Strategic Focus and Plan

CORE VALUES

The core values of SeeWhy Learning are as follows:

1. To provide a continuously improving and learning environment for clients and team members.
2. To offer exceptional advice and service to its clients.
3. To align the success of SeeWhy Learning with its students by focusing on exam results.

MISSION

The mission of SeeWhy Learning is to become the training partner for financial services advisory businesses, tailoring training solutions to the size of the business it is working with. This involves creating a collaborative and social environment between the company and the organizations that SeeWhy Learning serves.

NON-FINANCIAL OBJECTIVES

1. SeeWhy aspired to open a satellite office in Western Canada by December 2022 to gain a greater visual presence in that market. However, this initiative will be reconsidered in light of the COVID-19 impact on the business structure and an even greater migration to distance-learning solutions. (Note: SeeWhy Learning already services these clients quite well by scheduling client meetings in Western Canada on a regular and as-needed basis.)

2. Be recognized as the top training partner in the financial services industry.

FINANCIAL OBJECTIVES

1. Increase revenues by a stated percentage on an annual basis.
2. Retain a stated percentage of annual profits within the business to finance future growth. Historically, SeeWhy Learning has grown using internally generated funds instead of taking on corporate debt.

COMPETENCIES AND COMPETITIVE ADVANTAGE

The core competency of SeeWhy Learning is the expertise of its founders and the talent that they have hired. Essentially, its people are on the cutting edge of the financial services industry and are able to provide innovative, cost-effective training solutions for its clients. Given its size, SeeWhy Learning has mobility and flexibility in decision-making.

4. SWOT and Market Analysis

SWOT ANALYSIS

The SWOT analysis is summarized in **Figure A–1**. It shows internal and external factors that can affect the organization's success. The following statements help summarize the organization's situation:

- **SeeWhy Learning has an unmatched service offering.** Unlike its competitors, SeeWhy Learning offers a success guarantee on many of its training programs.
- **SeeWhy Learning is in a competitive marketplace.** Start-up sole proprietors offering inferior training materials on sites like Kijiji continually enter the marketplace as there is a low barrier to entry in terms of cost. SeeWhy Learning's biggest threat is that these companies could attempt to compete on price with an inferior product. To guard against this, SeeWhy provides potential clients with samples of its high-quality training materials by offering many complimentary training videos on its YouTube channel.
- **SeeWhy Learning has implemented a full-time social and multimedia team.** This allows the company to gain even more market exposure.
- **SeeWhy Learning has the opportunity to grow nationally.** With well-established customers and academic partners such as the IFSE Institute, the organization has the opportunity to expand its client base across Canada and find more target customers.

Figure A–1 SeeWhy Learning SWOT Analysis

Location of Factor	Type of Factor	
	Favourable	**Unfavourable**
Internal	**Strengths** • Established brand • Superior product when compared to other training organizations • Able to grow the client base and employees in line with corporate culture	**Weaknesses** • Ability to grow and hire talent as demand increases • Competitive market
External	**Opportunities** • Thousands of prospective corporate and retail clients • Continued growth in Canada	**Threats** • Clients' needs may become more demanding, requiring video conference training

Location of Factor	Type of Factor	
	Favourable	**Unfavourable**
	• Additional products to supplement post-secondary educators • Deepen relationships with companies embracing distance learning at an ever-increasing rate	

INDUSTRY ANALYSIS

According to the Toronto Financial Services Alliance, “The Toronto region is home to over 40 percent of all financial services headquarters employment in Canada, including two of the world’s largest life insurers.”

SeeWhy Learning can continue to build its network in the Toronto area, understanding that there are more opportunities across Canada for expansion.

COMPETITIVE ANALYSIS

SeeWhy Learning has several competitors, ranging from “Mom-and-Pop” type training outfits to larger organizations. Given the nature of the solutions, competitors outside of Canada may also come into play. In order to compete in this marketplace, SeeWhy Learning needs to keep each proposal client-centric. It also has to perform nimbly enough to adjust to the competitive proposals. By focusing on its local clientele, SeeWhy Learning can offer the benefit of more on-site presence than some of the larger, global organizations that may begin targeting its client base.

CUSTOMER ANALYSIS

The ideal clients of SeeWhy Learning are financial services advisory businesses that either are growing the number of advisors or need to recruit and train replacement advisors. A company’s stage in its life cycle will help determine the breadth of services sought from SeeWhy Learning.

Businesses that are in the growth stage of their life cycle are prime targets for SeeWhy Learning's services. These businesses have begun to generate income for their organizations, and they need to focus on their core competencies for continued growth. By engaging SeeWhy Learning as a partner, they can expand their training expertise without having to invest as much to build their own training infrastructure.

5. Market–Product Focus and Goal Setting

ONE-YEAR MARKETING OBJECTIVES

1. Improve brand awareness, specifically within the Greater Toronto Area as well as in Western Canada.
2. Increase market share, specifically in Toronto, where the majority of target customers have head office locations.

MARKETING AND PRODUCT OBJECTIVES

SeeWhy Learning plans to take full advantage of its market potential in Canada while also considering expansion into the U.S. market. This plan is outlined in three areas below:

- **Established markets:** SeeWhy Learning will service and grow its existing client base with the intent of expanding its offering into new leading-edge training services.

- **New markets:** SeeWhy Learning will build the foundation for expansion into the U.S. This will involving building out prospective client lists while servicing its existing client base.
- **New services:** SeeWhy Learning will expand its exam preparatory service, offering to include mobile technology.

POINTS OF DIFFERENCE

SeeWhy Learning will have three distinguishing characteristics when compared to its competitors:

1. A training partnership philosophy
2. A success-based guarantee on specific training packages
3. Easy access to the co-founders and/or senior staff

POSITIONING

In the exam preparatory marketplace, there are three areas that add value to clients: (1) operational excellence (cost-effective training solutions); (2) product leadership (best product); and (3) customer intimacy (truly customized service, based on deep customer knowledge). While it is imperative to be competent in all three disciplines, it is impossible to be viewed as superior in all three, since the market inherently distinguishes among all three.

SeeWhy Learning is positioning itself to offer more customer intimacy than the larger consulting firms while having greater operational excellence and product leadership than other consulting firms of its size. The company's ability to be nimble, while still offering advice at the same level of expertise of large consulting firms, positions it perfectly to the businesses it wants to serve.

6. Marketing Program

PRODUCT STRATEGY

SeeWhy Learning will service and grow its existing client base with the intent of expanding its training offering into new leading-edge digital services.

PRICE STRATEGY

SeeWhy Learning plans to offer at-market pricing for its services. It will not price-match firms of similar or smaller size but instead will continue to focus on quality along with its unprecedented "If you don't pass, you don't pay" guarantee. For bids against larger firms, the pricing strategy is to provide value-added services while maintaining a firm price. This is especially true when pursuing medium-size businesses with reasonable brand recognition. SeeWhy is able to offer more competitive pricing for corporate clients that represent significant volume.

PROMOTION STRATEGY

There are a number of initiatives that SeeWhy Learning can undertake to promote its business. These initiatives include pull and push marketing strategies that will enhance personal selling. Below are four initiatives to focus on:

1. Website upgrade

2. High-quality video production

3. YouTube channel

4. LinkedIn

PLACE STRATEGY

SeeWhy Learning is online, and in a world that has adopted more hybrid and online work, will continue to thrive with its online distribution strategy.

7. Sales Forecast

As a privately held corporation, SeeWhy Learning does not publicly report sales and profitability figures. However, it reportedly strives to grow annual sales by a stated percentage per annum.

8. Implementation Plan

MARKETING ORGANIZATION

Each quarter, in his capacity as sales director, Cory Snyder will lead his sales team to identify and reach out to five prospective corporate clients, with the goal of building a client relationship with at least one of them. These are usually warm leads as the sales team identifies companies whose employees are already purchasing SeeWhy Learning tools through its retail delivery channels. It turns the contact from a "sales call" to an opportunity to save the company's employees money through corporate pricing. During these sales calls, academic director Andre Samuels is responsible for listening to the client's needs and then working with the training team to offer an effective solution.

MARKETING BUDGET

 **Figure A–2** presents the marketing budget for year one of the plan implementation.

Figure A–2 Marketing Budget

The marketing budget for year one is limited to $82,500.

Marketing Costs	Budget
Website upgrade	$20,000

Marketing Costs	Budget
Content production costs (e.g., video)	$40,000
Advertising - print	$ 5,000
Advertising - online	$ 7,500
Give-away items	$ 5,000
Entertainment	$ 5,000
Marketing Budget - Year One	**$82,500**

MARKETING ACTIVITIES PLAN

The marketing activities plan will consist of the various activities outlined in the promotion strategy and the personal selling activities of the sales team. All marketing materials and media placements need to be ready by December 2021.

9. Evaluation Plan

SeeWhy Learning will prepare an annual budget. Actual sales and expenses will be compared to the figures, and variances will be investigated and identified. Weekly sales activities and successes will also be tracked.

Glossary

above-, at-, or below-market pricing Setting a market price for a product or product class based on a subjective feel for the competitor's price or market price as the benchmark.

actual product The physical good or the services that a customer purchases.

adoption curve The sequential diffusion and acceptance of an innovation into the market by consumers.

advertising Paid form of media used for non-personal communication to consumers about an organization, good, service, or idea.

analytics The process of taking metrics data and applying smart thinking and technology to gain actionable insights that can help produce better business decisions.

attitude Tendency to respond to something in a consistently favourable or unfavourable way.

augmented product The additional features and attributes that accompany a product.

baby boomers Generation of people born between 1946 and 1965.

back translation Retranslating a word or phrase back into the original language by a different interpreter to catch errors.

banner ads Online ads that can stretch across the top of a web page or be formatted in various sizes, such as leaderboards, rectangles, big boxes, and skyscrapers.

barter The practice of exchanging products and services for other products and services rather than for money.

behaviouristics How and why consumers buy and use a product, including the desired product benefits, how frequently they buy, where they buy, and whether consumers are brand loyal in their purchase behaviour.

beliefs Consumer's perceptions of how a product or brand performs.

binge viewing Watching complete or partial seasons of TV shows over a few days.

binge watching Watching two or more episodes of a TV show in one sitting.

blog A website in the form of an online diary that is used by organizations and individuals to post updates that include personal opinions, activities, and experiences, with readers able to subscribe and post comments.

Bluetooth Low-power radio waves that are transmitted though beacons and wirelessly transfer text, images, and audio or video data through a local hotspot to Bluetooth-enabled and -activated devices.

brand A name, phrase, symbol, or design uniquely given by a company to a product to distinguish it from the competition.

brand development index (BDI) An index that shows how well a brand's sales are developed in a region relative to the region's population size.

branded entertainment The creation of an entertainment program, such as a TV episode, that is highly focused on a brand in exchange for payment.

brand equity The value of a brand that results from the favourable exposure, interactions, associations, and experiences that consumers have with a brand over time.

brand extension When new goods or services are introduced under an existing flagship brand name.

brand loyalty Favourable attitude toward and consistent purchase of a single brand over time; the degree of target market commitment toward a brand over time that results in varying levels of purchase commitment.

brand personality A set of human characteristics associated with a brand.

breadth of product line The variety of different items a store carries.

break-even analysis Examines the relationship between total revenue and total cost to determine profitability at different levels of output.

brokers Independent firms or individuals whose main function is to bring buyers and sellers together to make sales.

bundle pricing The marketing of two or more products in a single package price.

business analysis Financial projections on the impact of bringing the new product to market and selling it in the future.

business market Products that are purchased either to run a business or to be used as a component in another product or service.

business marketing Marketing to firms, governments, or nonprofit organizations.

business products Products that are purchased either to run a business or to be used as a component in another product or service. Also called *industrial goods* or *organizational products.*

buy classes Three types of organizational buying situations: straight rebuy, modified rebuy, or new buy.

buying centre Group of people in an organization who participate in the buying process.

central business district The oldest retail setting, the community's downtown area.

channel conflict Arises when one channel member believes another channel member is engaged in behaviour that prevents it from achieving its goals.

commercialization When the new product is brought to market with full-scale production, sales, and marketing support.

common short codes (CSC) Dedicated short messaging codes of typically five to six digits that are used to trigger subscriptions, donations, alerts, or downloads, or to access promotional content.

community shopping centre Retail location that typically has one primary store and 20 to 40 smaller outlets, serving a population of consumers within a 2- to 5-km drive.

competitive advantages Those characteristics of a product or service that make it superior to competing substitutes.

competitive forces Alternative products that can satisfy a specific market's needs.

concept tests External evaluations of a new product idea, rather than of the actual product itself.

constraints In a decision, the restrictions placed on potential solutions to a problem.

consumer market Goods, services, and ideas that a person can purchase, use, or support for personal use.

consumer products Products purchased for their personal use by the ultimate consumer.

consumer promotions Short-term marketing tools used to encourage immediate consumer purchase.

content marketing Creating and sharing expertise, information, or branded content that is designed to inform and engage with tools such as research papers, ebooks, infographics, how-to videos, blogs, webinars, enewsletters, case studies, and events that can readily be found with search engines.

continuous innovations New products with more than just a minor product improvement, but that do not require radical changes by the consumer.

convenience products Items purchased frequently that are inexpensive and require minimum risk and shopping effort.

copyrights Used to legally protect original written works, sound recordings, or forms of communication from being copied by others.

cord cutters People who decide to cancel cable or satellite TV and focus on online viewing.

core product The fundamental benefit that a consumer derives from having the product.

corporate social responsibility (CSR) When organizations voluntarily consider the well-being of society by taking responsibility for how their businesses impact consumers, customers, suppliers, employees, shareholders, communities, the environment, and society in general.

corporate websites Websites that provide company and brand information to consumers and the media.

cost per acquisition (CPA) The cost of acquiring a new follower or sale.

cost per click (CPC) The cost of getting someone to click on a link or ad.

cost per thousand (CPM) The cost of reaching 1,000 people.

cost-plus pricing Summing the total unit cost of providing a product or service and adding a specific amount to the cost to arrive at a price.

cross-channel shopper An online consumer who researches products online and then purchases them at a retail store.

cross-cultural analysis Study of similarities and differences among consumers in two or more societies.

cultural symbols Objects, ideas, or processes that represent a particular group of people or society.

culture A set of values, ideas, and attitudes that are learned and shared among the members of a group.

customary pricing Setting a price that is dictated by tradition, a standardized channel of distribution, or other competitive factors.

Customer Advocacy Funnel A communications approach that takes consumers from initial product awareness through to brand advocacy.

customer behaviour Actions a person takes when purchasing and using products and services.

customer experience management (CEM) Managing customer interactions with the goal of increasing satisfaction and loyalty.

customer journey map A visual representation of all the touchpoints a customer comes into contact with before, during, and after a purchase.

customer lifetime value The potential sales that will be generated by a customer if that customer remains loyal to that company for a lifetime.

customer relationship management (CRM) The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

customer touchpoints A marketer's product, service, or brand points of contact with a customer from start to finish in the purchase decision process.

customer value proposition The unique combination of benefits received by targeted buyers that will satisfy their needs; this includes quality, price, convenience, delivery, and both before-sale and after-sale service.

customs Norms and expectations about the way people do things in a specific country or culture.

dashboards The visualization of data and key performance indicators using graphs, charts, and numbers so that numerical information tells a story that is insightful and easy to use and understand.

data The facts and figures related to the project that are divided into two main parts: secondary data and primary data.

database marketing The use of databases to customize communications to customers and potential customers for the purpose of promoting a product or service.

data mining The processing of large amounts of data using sophisticated software to find insightful correlations and patterns that lead to better business decisions.

data warehouse A central repository of an organization's electronically stored data.

delete When a company discontinues a product.

demand curve Graph relating quantity sold and price, which shows how many units will be sold at a given price.

demographics The statistical data on a population according to characteristics such as gender, age, ethnicity, income, education, and occupation.

depth of product line The assortment of products within each product line.

derived demand Demand for industrial products and services driven by demand for consumer products and services.

descriptive analytics A type of analytics that focuses on *what has happened*.

development The new product idea is turned into a prototype for further consumer research and manufacturing tests.

digital marketing Using digital technology to reach consumers through computers, gaming devices, out-of-home electronic screens, or mobile devices such as smartphones and tablets.

direct competitors Similar products sold in the same category.

direct response marketing A tool designed to communicate with consumers in a targeted and personalized way using either traditional or online approaches.

discretionary income Money that consumers have left after paying taxes and buying necessities.

disintermediation Vertical channel conflict that arises when a channel member bypasses another member and sells directly to consumers.

display advertising The use of online ads with graphics or animation that are placed on websites.

disposable income Balance of income left after paying taxes; income that is used for spending and savings.

Do Not Call List (DNCL) Gives customers the ability to elect to not receive telemarketing calls on cellphones and landline phones by registering the numbers of their communication devices.

dual distribution Arrangement whereby a firm reaches buyers by using two or more different types of channels for the same basic product.

dumping Occurs when a firm sells a product in a foreign country below its domestic prices or below its actual cost.

durable good An item that lasts over an extended number of uses.

earned media The free publicity secured through unpaid media mentions and consumers who spread the word through word of mouth or the Internet.

economy The collective income, expenditures, and resources that affect the cost of running a business or a household.

electronic data interchange (EDI) A computer-to-computer exchange of business documents from a retailer to a supplier and back.

electronic or digital marketing channels Channels that use the Internet to make goods and services available to consumers or business buyers.

email marketing The use of email to market products.

e-marketplaces Online trading communities that bring together buyers and supplier organizations.

engagement metrics Measures how much and how often consumers interact with social media content.

environmental scan The process of continually acquiring information on events occurring outside an organization to identify trends, opportunities, and threats to a business.

event marketing The creation or involvement of a brand in an experience or occasion that will heighten its awareness, create positive associations, and generate a desired response.

exchange The trade of things of value between buyers and sellers so that each benefits.

exclusive distribution Only one retail outlet in a specific geographical area carries the firm's products.

experiential marketing Creates opportunities for consumers to directly interact with brands.

experiment In marketing, changing a variable involved in a customer purchase to find out what happens.

fad Novelty products with very short product life cycles that experience immediate rapid growth, followed by an equally rapid decline.

family brand When a company uses a brand name to cover a number of different product categories.

family life cycle A family's progression from formation to retirement, with each phase bringing distinct needs and purchasing behaviours.

fashion product The life cycle for fashion is relatively short and cyclical, going from introduction to decline within two to three years, only to resurface again a few years later.

fixed cost Firm's expenses that are stable and do not change with the quantity of product that is produced and sold.

fluctuating demand Demand for business products and services changes more than demand for consumer products and services.

focus groups A qualitative research technique where a small group of people (usually six to ten) meet for a few hours with a trained moderator to discuss predetermined areas.

form of ownership Distinguishes retail outlets on the basis of whether individuals, corporate chains, or contractual systems own the outlet.

franchising Contractual arrangement in which a parent company (the franchisor) allows an individual or firm (the franchisee) to operate a certain type of business under an established name and according to specific rules set by the franchisor.

frequency The number of times the target audience is exposed to the communication vehicle or the communication message.

Generation X People born between 1966 and 1980.

Generation Y People born between 1981 and 1996. This generation is also referred to as *Millennials*.

Generation Z People born between 1997 and 2012.

generic brand A product that has no branding and is produced as a cheap alternative to a manufacturer's brand and to branded private-label products.

geofencing Uses global positioningsystem (GPS) to trigger an event to happen when a device enters a certain geographic area.

geographics Where a target market lives, using variables such as country, region, province, city size, and population density, such as urban, suburban, or rural.

global brands Brands that are sold in a variety of international markets and that enjoy wide recognition in these markets.

goals (objectives) Targets of performance to be achieved within a specific time frame.

good A product you can touch and own.

greenwashing The deceptive use of marketing practices to give the impression that a good, service, or organization is environmentally friendly.

grey market Situations where products are sold through unauthorized channels of distribution. Also known as *parallel importing*.

gross domestic product (GDP) The total dollar value of all goods and services produced in a country within a specified time period.

gross income Total amount of money made in one year by a person, household, or family unit, before taxes.

harvest When a company keeps a product but reduces marketing support in an attempt to reap some minor profits.

high-learning product Significant consumer education is required for these products, which have an extended introductory period.

hybrid apps Apps that combine the functionality of native apps with the flexibility of web apps.

idea A concept that typically looks for support.

idea generation Developing a pool of new product ideas.

idle production capacity When the supply of a service exceeds its demand.

in-depth interviews Detailed interviews where a researcher questions an individual at length in a free-flowing conversational style in order to discover information that may help solve a marketing problem.

indirect competitors Products competing for the same buying dollar in a slightly different but related category.

individual brand When a company uses a brand name solely for a specific product category.

individualized marketing One-to-one marketing that involves customizing offers and, in some cases, products to fit individual needs.

inelastic demand Demand for products does not change because of increases or decreases in price.

inflation When the cost to produce and buy products and services gets higher as prices rise.

influencer marketing The practice of focusing on the identification and recruitment of influencers to advocate for a company's products, services, and brands rather than focusing exclusively on prospective buyers.

information technology Includes all of the computing resources that collect, store, and analyze data.

integrated marketing communications (IMC) A communications approach that coordinates all promotional activities to provide a consistent message to a target audience.

intensive distribution A firm tries to place its products or services in as many outlets as possible.

interest rates The amount charged as a fee for borrowing money, normally expressed as a percentage per year.

intermediaries Individuals or firms performing a role in the marketing channel, involved in making a product available.

Internet of Things (IoT) The network of products embedded with connectivity-enabled electronics.

intertype competition Competition between very dissimilar types of retail outlets.

involvement Personal, social, and economic significance of a purchase to the consumer.

just-in-time (JIT) inventory system A system designed to deliver less merchandise on a more frequent basis than traditional inventory systems.

key performance indicators (KPIs) Types of metric that are used to evaluate performance.

lead generation The requests for additional information that result from direct response marketing.

learning Behaviours that result from repeated experience or reasoning.

level of service The degree of service provided to the customer by self-, limited-, and full-service retailers.

line extension The addition of a new item to an already existing product line.

listing fees Price needed to be paid to place your product on a retailer's shelf or ecommerce platform.

logistics Activities that focus on getting the right amount of the right products to the right place at the right time at the lowest possible cost.

loss-leader pricing Deliberately selling a product below its customary price, not to increase sales, but to attract customers' attention to it in hopes that they will buy other products with large markups as well.

low-learning product Little consumer education is required, resulting in a short introductory stage for the product.

loyalty programs Programs specifically designed for customer retention.

macroeconomic forces The state of a country's economy as a whole as indicated by its growth rates, inflation rates, unemployment rates, and consumer confidence indexes.

manufacturer's brand A brand owned and produced by the manufacturer.

manufacturers' agents Work for several producers and carry non-competitive, complementary merchandise in an exclusive territory.

market Potential consumers with both the willingness and the ability to buy.

marketing The process of planning and managing goods, services, or ideas to meet consumer needs and organizational objectives. It includes the conception of these products and the pricing, promotion, and distribution programs designed to make a profit and generate revenue or support for an organization.

marketing channel The set of individuals or firms involved in the process of making a product available.

marketing communication agencies Broad-spectrum integrated agencies or specialist agencies that provide marketers with expertise on how best to communicate messages to their audiences.

marketing communication tools Advertising, public relations, sales promotion, direct response marketing, event marketing and sponsorship, product placement and branded entertainment, personal selling, online marketing, social media marketing, and mobile marketing.

marketing dashboard A visual computer display of essential marketing information.

marketing metric A measure of the value or trend of a marketing activity or result.

marketing mix The 4 Ps—product, price, place, and promotion.

marketing orientation Focusing organizational efforts to collect and use information about consumers' needs in order to create customer value.

marketing plan Road map for the marketing activities of an organization for a specified future period of time.

marketing process The process of (1) identifying consumer needs, (2) managing the marketing mix to meet these needs, and (3) reaching potential consumers or the market.

marketing research The process of defining a marketing problem and opportunity, systematically collecting and analyzing information, and recommending actions.

marketing strategy Means by which a marketing goal is to be achieved.

marketing tactics Detailed day-to-day operational decisions essential to the overall success of marketing strategies.

market segmentation The aggregation of prospective buyers into groups that have common needs and respond similarly to marketing programs.

market share The percentage of sales volume for a product relative to the entire sales volume of the category in which it competes; ratio of a firm's sales to the total sales of all firms in the industry.

markup The difference between selling price and cost, usually expressed as a percentage of cost.

mass marketing Marketing a product with broad appeal to the entire market without any product or marketing differentiation.

matrix 2D barcode A two-dimensional response code that, when scanned by a mobile barcode reader or app, provides additional information, launches websites, prompts downloads, sends text messages, or deploys messages.

measures of success Criteria or standards used in evaluating proposed solutions to the problem.

merchandise mix How many different types of products a store carries and in what assortment.

merchant wholesalers Independently owned firms that take title to the merchandise they handle.

metrics Numeric data that are collected and grouped to track performance, often presented in spreadsheets and dashboards.

microeconomic forces The supply and demand of goods and services and how this is impacted by individual, household, and company decisions to purchase.

microsites Promotional websites created for short-term promotional purposes, often allowing consumers to enter contests and access promotional information.

millennials People born between 1981 and 1996. This generation is also referred to as *generation Y*.

minor innovations Minor product modifications that require no adjustments on behalf of the consumer.

mission Statement of the organization's purpose and direction.

mobile advertising Refers to any advertising that is viewed on a mobile device such as a smartphone or a tablet.

mobile applications (apps) Software programs that can be downloaded on a smartphone or tablet to engage consumers with information, entertainment, or interactivity.

mobile check-in services When consumers check into locations using apps to post their whereabouts and to receive offers from local merchants on their mobile device.

mobile discovery The use of mobile apps to help find local businesses, services, and attractions.

mobile email Email sent and/or received using a mobile device.

mobile marketing A set of practices that enables organizations to communicate and engage with their audiences in an interactive and relevant manner through any mobile device or network.

mobile messaging Comes in the form of common short codes (CSC), short messaging services (SMS), multimedia messaging services (MMS), email messaging, in-person voice phone calls, and voice messaging.

mobile Web A website designed for the smaller screens of mobile devices.

mobile Web apps Websites designed to simulate an app experience by adding a shortcut that runs off a browser on a mobile device.

monopolistic competition Type of competition where a large number of sellers compete with each other, offering customers similar or substitute products.

monopoly When only one company sells in a particular market.

motivation Energizing force that stimulates behaviour to satisfy a need.

multi-channel marketing Blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building relationships with customers.

multichannel retailers Use a combination of traditional store formats and non-store formats such as catalogues and online retailing.

multimedia messaging services (MMS) Standard text messaging services that include audio, video, or images.

native apps Apps downloaded from app stores that are specifically created to be hosted and run on a mobile device.

near field communications (NFC) The two-way radio communication between smartphones and smartphone-type devices to transfer images, documents, or monetary transactions when the two devices touch or are within a few inches of each other.

need Occurs when a person feels deprived of basic necessities.

new product development process Sequence of steps that a firm takes to develop a new product idea and take it to market.

new product development strategy Setting the new product strategic direction for the company as a whole, and the precise objectives for the project at hand.

niche marketing Marketing a limited product line to a narrow but profitable segment of the market that is of marginal interest to major competitors.

non-durable good An item that does not last and is consumed only once, or for a limited number of times.

nonprobability sampling Selecting a sample so that the chance of selecting a particular element of a population is either unknown or zero.

North American Industry Classification System (NAICS) Provides common industry definitions for Canada, Mexico, and the United States.

objectives Specific, measurable goals.

observational data Facts and figures obtained by watching how people actually behave, which can be collected by mechanical (including electronic), personal, or neuromarketing methods.

odd–even pricing Setting prices a few dollars or cents under an even number.

off-price retailing Selling brand-name merchandise at lower than regular prices.

oligopoly Type of competition that occurs when a few companies control a market.

omnibus survey The voluntary participation of respondents in routine research surveys that allow marketers to add a small number of questions to an existing survey to receive cost-effective data.

online behavioural advertising (OBA) The use of Web-based programs to track consumers' online activity so as to deliver ads that correspond to browsing interests.

opinion leaders Individuals who have social influence over others.

optimization metrics Data that can point to adjustments or changes that should be made to your social media program.

organizational buyers Manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.

organizational buying behaviour Process by which organizations determine the need for goods and then choose among alternative suppliers.

out-of-home (OOH) advertising Casually referred to as *outdoor;* reaches consumers outside the home in outdoor locations, in transit, or in commercial or business locations.

owned media The media channels that a company controls, either fully or partially, such as a website, microsite, or social media page that is used to directly communicate with consumers.

paid media The media time purchased so that messages can be disseminated through channels that are controlled by others.

panel A large sample of respondents that voluntarily complete questionnaires on a regular basis so that researchers can assess changes in behaviour and attitudes.

Pareto's Rule The concept that 80 percent of a brand's sales come from 20 percent of its customers.

partnership marketing The creation of formal associations between brands that will result in incremental business for both brands that could not have been achieved separately. Also known as *affinity marketing*.

patents Used to legally protect new technologies, unique processes, or formulations from usage by other companies.

pay-per-click advertising (PPC) Ads that appear in response to keyword triggers on search engines, as well as on some websites, blogs, and social media sites, where the advertiser pays only when the ad is clicked.

penetration pricing Setting a low initial price on a new product to appeal immediately to the mass market.

perceived risk Anxiety felt when a consumer cannot anticipate possible negative outcomes of a purchase.

perception Process by which someone selects, organizes, and interprets information to create a meaningful picture of the world.

perfect competition Type of competition where there are many sellers with nearly identical products and little differentiation.

permission-based email When a recipient chooses to receive email from a marketer.

personal selling The two-way flow of communication between a buyer and seller, often face-to-face or facilitated through communication devices, to influence an individual and group purchase decision.

personality A person's character traits that influence behavioural responses.

personas Character descriptions of a typical customer in the form of fictional character narratives, complete with images that capture the personalities, values, attitudes, beliefs, demographics, and expected interactions with a brand.

place Distribution channels, retail formats, and merchandising used to sell a product.

positioning maps Visual representations of how products in a category are positioned in consumers' minds; also known as *perceptual maps*.

positioning statement A formalized statement that identifies the image a branded product represents in the market and what sets it apart from the competition.

power centre Large shopping strip with multiple anchor stores, a convenient location, and a supermarket.

predictive analytics The combination of data from varied sources to reveal patterns that are modelled to predict *what might happen* in the future.

predictive modelling Based on statistical models that use data mining and probability analysis to foretell outcomes.

press conference A planned event where representatives of the media are invited to an informational meeting with the company.

press release An announcement written by an organization and sent to the media.

prestige pricing Setting a high price so that quality- or status-conscious consumers will be attracted to the product and buy it.

price What is exchanged for a product, including the expected regular retail or sale price.

price skimming Pricing strategy where a company charges a high price initially and lowers the price over time.

pricing constraints Factors that limit the range of prices a firm may set.

pricing objectives Expectations that specify the role of price in an organization's marketing and strategic plans.

primary data Data that is original and specifically collected for a project.

private-label brand Otherwise known as a store brand, a brand owned by a retailer that contracts its manufacturing to major suppliers, and then sells the product at its own retail stores, under its own store-brand name.

probability sampling Selecting a sample so that each element of a population has a specific known chance of being selected.

product Attributes that make up a good, a service, or an idea, including product design, features, colour, packaging, warranty, and service levels.

product differentiation Positioning a product to a target group so that it appears distinct from competitive offerings.

production orientation Focusing organizational efforts on the manufacture of goods.

product life cycle The stages that a new product goes through, starting with introduction and evolving into growth, maturity, and decline.

product line A group of similar products that are closely related because they satisfy a similar need and are directed at the same general target market.

product line depth The assortment of different versions of each product sold within its product lines.

product line length The total number of products or brands in a product line.

product mix All the product lines marketed by a company.

product mix width The number of different product lines offered by a company.

product placement The inclusion of a product in a movie or TV program in return for payment.

product positioning The impression of the product you want to establish in consumers' minds relative to their needs and the competition.

profit The excess of revenues over costs, the reward to a business for the risk it undertakes in offering a product for sale.

profit equation Profit = total revenue – total cost.

promotion Communication tools needed to inform customers about a product, including advertising, public relations, sales promotion, direct response, event marketing, sponsorship, online approaches, and personal selling.

promotional mix The selection of promotional tools used to communicate with a target market.

promotional websites Focus on showcasing products and services.

psychographics Understanding consumers' lives, values, personalities, general interests, opinions, and activities.

publicity A non-personal form of communication that appears in the media and is not paid for directly by the organization.

public relations A communications tool that seeks to influence the opinions and attitudes of target groups through the use of unpaid media exposure; targets the media in an attempt to generate positive publicity for a company, product, or individual.

pull strategy When marketers focus communication efforts on ultimate consumers to build awareness, trial, and demand for a product.

purchase decision process Stages that a buyer passes through when making choices about which products or services to buy.

push notifications Any content sent to a mobile device that a customer must opt in to receive from a marketer.

push strategy When marketers focus communication on the distribution channel to gain support from retailers, distributors, and wholesalers.

questionnaire data Facts and figures obtained by asking people about asking people about their attitudes, awareness, intentions, and behaviours.

radical innovations New products that involve the introduction of a product that is entirely new and innovative to the market.

reach The number of people who are exposed to a communication vehicle or message; is presented as a percentage of the total number of people in a target audience.

recession A time of slow economic activity with two consecutive periods of negative growth.

reference group A group of people who influence a person's attitudes, values, and behaviour.

regional shopping centres Consist of 50 to 150 stores that typically attract customers who live within a 5- to 15-km range; often containing two or three anchor stores.

regulations Restrictions placed on marketing practices by government and industry associations.

relationship marketing When organizations create long-term links with customers, employees, suppliers, and other partners to increase loyalty and customer retention.

repositioning Changing the place a product occupies in consumers' minds relative to competitive products to more accurately meet consumer needs.

retailing mix The goods and services, pricing, physical distribution, and communications tactics chosen by a store.

retailing All activities involved in selling, renting, and providing goods and services to ultimate consumers for personal, family, or household use.

reverse auction Occurs when a buyer communicates a need for something and would-be suppliers bid in competition with one another.

reverse logistics A process of reclaiming recyclable and reusable materials, returns, and reworks from the point of consumption or use for repair, remanufacturing, redistribution, or disposal.

RFM analysis The rating of customers on the basis of how recently products were purchased (recency), how often products were purchased (frequency), and the dollar value of the transactions (monetary value).

sales forecast The total number of a product that a firm expects to sell during a specified time period under specified environmental conditions and its own marketing efforts.

sales orientation Focusing organizational efforts on selling as many products as possible.

sales promotion A communications tool that provides short-term incentives to generate interest in a product or cause and encourages purchase or support.

sampling The process of gathering data from a subset of the total population rather than from all members of that particular group.

scrambled merchandising Offering several unrelated product lines in a single retail store.

screening and evaluation Reduces the list of ideas down to a list of promising concepts.

search engine marketing (SEM) Refers to a paid form of advertising that emerges after a search engine query.

search engine optimization (SEO) Ensuring that websites are written, indexed, and coded so that they are highly rated and ranked by the search engines.

secondary data Facts and figures that have already been recorded by a third party.

selective distribution A firm selects a few retail outlets in a specific geographical area to carry its products.

selling agents Represent a single producer and are responsible for the entire marketing function of that producer.

service A product that is intangible; an activity, benefit, or satisfaction that you cannot touch.

service continuum A range from tangible goods to intangible services.

share of wallet The percentage of a customer's purchases that a company has in a specific product category.

shopping products Items that require comparison shopping between different brands and an investment of shopping time.

short messaging services (SMS) Standard text messaging that uses protocols of 160 characters per message.

showrooming Using mobile devices in-store to check online competitive product reviews and prices, which results in the online purchase of a cheaper product.

shrinkage Breakage and theft of merchandise by customers and employees.

situation analysis Taking stock of a firm's or product's past performance, where it is now, and where it is headed.

skimming pricing Setting the highest initial price that customers really desiring the product are willing to pay when introducing a new or innovative product.

smartphone An advanced cellphone that has similar functionality to a personal computer in addition to taking pictures, playing music and movies, navigating with GPS, and using apps to enhance its features and capabilities.

social analytics The real-time measurement, interaction, and analysis of social media to assess social media campaign performance, message resonation and amplification, consumer sentiment, and common themes.

social forces The demographic characteristics of the population and its culture.

social listening Research that monitors public online consumer conversations on social media sites such as social networks, blogs, and forums.

social media A form of online media that allows members to create their own network of friends and contacts to share comments, articles, opinions, videos, and images as a form of self-expression.

social media analytics The real-time measurement, interaction, and analysis of social media to assess social media campaign performance, message resonation and amplification, consumer sentiment, and common themes.

social media marketing Reaching out to consumers online through social media networks.

social media monitoring The monitoring of brand mentions, consumer sentiment, buzz, and engagement on the Internet.

social media release A multimedia, online press-release platform that includes video, text, and images, as well as social media buttons for sharing on social networks and comment areas where viewers can leave comments.

social networks Online websites that allow members to create a network of friends and contacts to share messages, comments, videos, and images as a form of self-expression.

social TV Watching TV programming while adding comments on social networks.

societal marketing concept Marketing programs that focus on the consumer *and* the well-being of society.

socio-cultural forces Cultural values, ideas, and attitudes, as well as society's morals and beliefs.

spam The dissemination of unsolicited electronic messages to recipients.

specialty products Items for special occasions that require a specific product or brand and require considerable time and effort to purchase.

sponsorship When an advertiser pays a fee in exchange for inclusion in an event, involvement in its advertising opportunities, or exposure within the event itself.

standard markup pricing Adding a fixed percentage to the cost of all items in a specific product class.

strategic alliance Long-term arrangement between companies with similar values and marketing objectives that extends beyond short-term promotional offers into long-term formal business agreements.

strategic marketing process Approach whereby an organization allocates its marketing mix.

strategy An organization's long-term course of action that delivers a unique customer experience while achieving its goals.

strip location A cluster of stores serving people who live within a 5- to 10-minute drive.

sub-brand A brand that uses the family brand name as well as its own brand name and identity so that it can take on the strengths of the parent brand but also differentiate itself.

subcultures Subgroups within a larger culture that have unique values, ideas, and attitudes.

supply chain management Integration and organization of information and logistics activities across firms in a supply chain for the purpose of creating and delivering goods and services that provide value to consumers.

supply chain Sequence of firms that perform activities required to create and deliver a product to consumers or industrial users.

supply partnership Relationship between a buyer and supplier that adopts mutually beneficial objectives, policies, and procedures.

SWOT analysis The assessment of how well an organization or brand is servicing its businesses and target markets by evaluating its internal strengths and weaknesses, and its external opportunities and threats.

target market The specific group or segment(s) of existing and potential consumers to which marketers direct their marketing efforts.

target market profile A description of the target market that contains specific information about the target group in four areas: geographics, demographics, psychographics, and behaviouristics.

target profit pricing Setting an annual target of a specific dollar volume of profit.

target return-on-investment pricing Setting a price to achieve an annual target return on investment (ROI).

target return-on-sales pricing Setting a price to achieve a profit that is a specified percentage of the sales volume.

technological forces Inventions from science or engineering research.

telemarketing Using the telephone to interact with and sell directly to consumers.

test market An in-market localized approach, or short-term online destination, used to test the success of promotional offers, new services, or new-product launches.

test marketing Offering a new product for sale on a limited basis in a defined geographic area to assess its success.

total cost Total expenses incurred by a firm in producing and marketing a product; total cost is the sum of fixed cost and variable costs.

total revenue Total money received from the sale of a product.

touch points Any situation in which a customer comes into contact with a brand or company.

trademarks Used by people or organizations to protect brand images, names, slogans, and designs from usage by others.

trade promotions Short-term promotional tools used to generate support with wholesalers, distributors, or retailers.

traditional auction Occurs when a seller puts an item up for sale and would-be buyers bid in competition with each other.

traffic generation The visits to a location or website that result from direct response marketing.

transactional websites Electronic storefronts focused on converting an online browser into an online buyer.

unemployment rate Measures the share of the labour force that is not working.

unsought products Unknown items or those of no interest to the purchaser.

user-generated content (UGC) Original online content that has been created by users in the form of blogs, posts, images, audio, or video.

value The ratio of perceived benefits to price.

variable cost Sum of the expenses of the firm that vary directly with the quantity of products that is produced and sold.

vertical marketing systems Professionally managed and centrally coordinated marketing channels designed to achieve channel economies and maximum marketing impact.

virtual services Services that exist only online and have no person-to-person interaction.

vlog A blog posted in video format.

voluntary chain A voluntary group or chain of retailers linked to the wholesale supplier and working together to achieve economies of scale in business practices including, but not limited to purchasing, and advertising.

want A need that is shaped by a person's knowledge, culture, and personality.

wearables Devices that can be worn on the body or on clothes.

web analytics The measurement and analysis of website data, looking at elements such as page views, time on site, bounce rate, new visitors, returning visitors, and referral traffic.

Wi-Fi hotspots Areas set up with free Internet access. Once customers log in to use the free Wi-Fi, they can be sent location-specific content.

wiki A collaborative website that uses an application with which multiple users can create, add, edit, or delete content.

word of mouth People influencing each other in personal conversations.

word-of-mouth marketing The spread of positive messages about a product by listening to consumers, identifying influential individuals that can spread the word, and making it easier for them to do so.

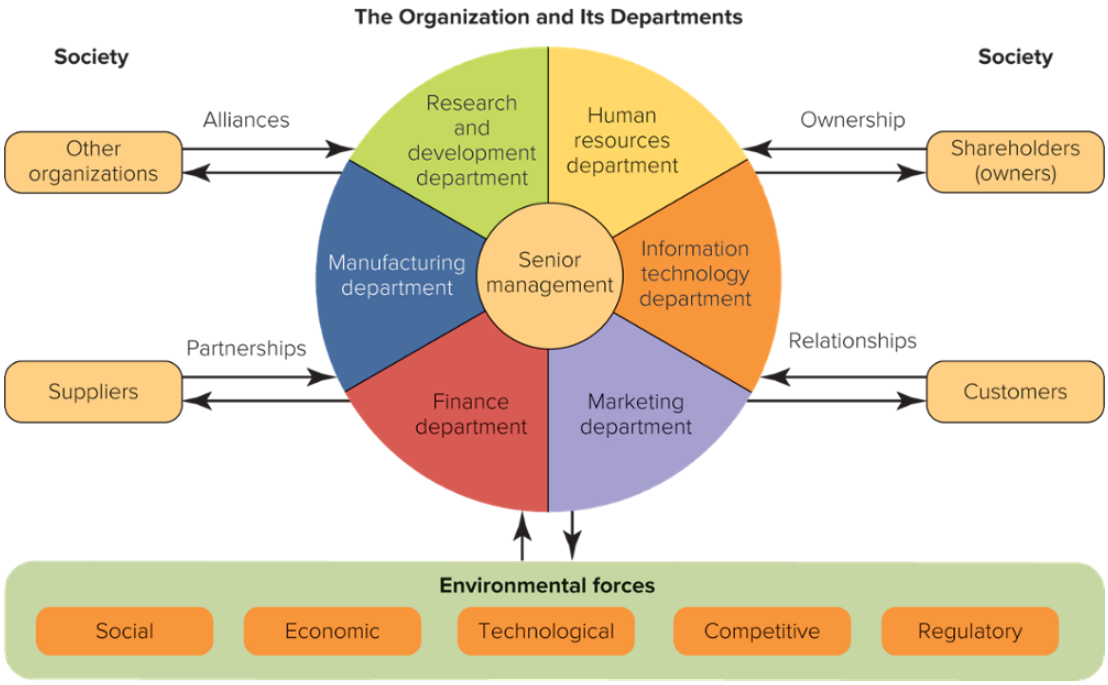
Figure 1-1 Text Alternative (Chapter 1)

Figure 1-1 A marketing department relates to many people, organizations, and forces. Note that the marketing department both *shapes* and *is shaped by* its relationship with these internal and external groups.

Alt Text (Short Description)

A flow chart explains about an organization and its various departments.

Detailed description



The flow chart shows the following: A circle at the center has an inner circle labeled Senior Management and an outer circle labeled: Research and development department, Human resources department, Information systems department, Marketing department, Finance department, and Manufacturing department. On the left, under the text Society, are two boxes labeled Other organizations and Suppliers. Arrows labeled Alliances point from Other organizations to Research and development department, and from the Manufacturing department to Other organizations. Arrows labeled Partnerships point from Suppliers to the Manufacturing department, and from the Finance department to Suppliers. On the right, under the text Society, are two boxes labeled Shareholders (owners) and Customers. Arrows

labeled Ownership point from Shareholders to Human resources department, and from Information systems department to Shareholders. Arrows labeled Relationships point from Customers to Information systems department and from the Marketing department to customers. A large horizontal box underneath is labeled Environmental forces and contains smaller interior boxes labeled social, economic, technological, competitive and regulatory. An arrow points from Environmental forces to the Finance department in the circle above, and from the Marketing department to Environmental forces.

Return to Figure 1-1

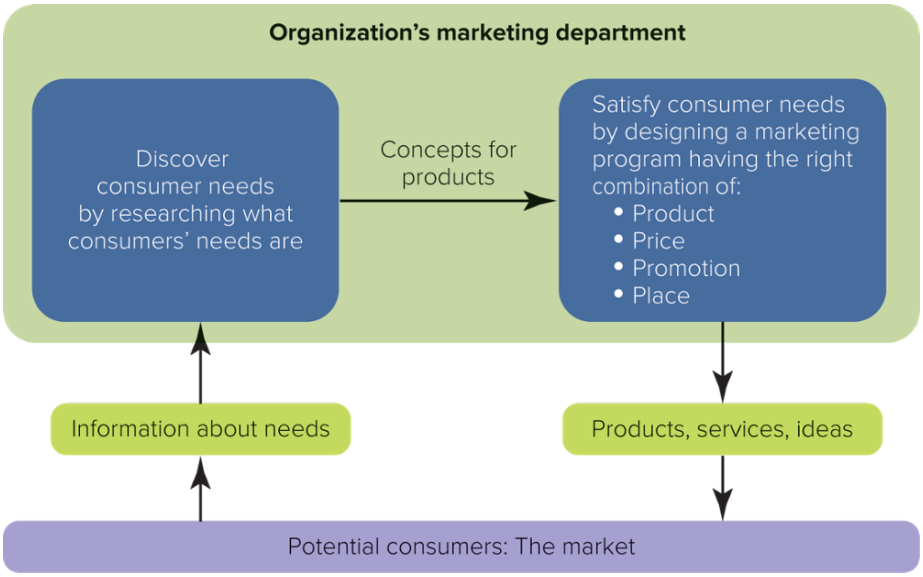
Figure 1-2 Text Alternative (Chapter 1)

Figure 1-2 The marketing process

Alt Text (Short Description)

A flow chart depicts the marketing process.

Detailed description



The flow chart presents the following information: An arrow from a component Potential consumers: The market points to the component, information about need, an arrow from which further points to the component discover consumer needs by researching what consumers' needs. An arrow from this component labeled concepts for products points to the component with the text, satisfy consumer needs by designing a marketing program having the right combination of: product, price, promotion, and place. An arrow from this component points to the component products, services, ideas, an arrow from which points to the component potential consumers: The market.

Return to Figure 1-2

Figure 1-3 Text Alternative (Chapter 1)

Figure 1-3 The evolution of business philosophies

Alt Text (Short Description)

A flow chart shows the evolution of business philosophies.

Detailed description



The flow chart has the following information: Four timeline boxes, rectangular but tapering to a point so they appear to be arrows, arranged in a row pointing to the right. Between them are years. From left to right: Production orientation: 1930s; Sales orientation: 1960s; Marketing orientation: 1990s; and Relationship marketing orientation.

Return to Figure 1-3

Hush Blankets Graphic Text Alternative (Chapter 1)

Hush Blankets is starting to move from solely digital marketing to other forms.

Alt Text (Short Description)

An advertisement board on the side of an ice-hockey rink reads, Hush(dot)ca.

Detailed description



Three players holding hockey sticks and wearing hockey jerseys, shorts, and gears stand in the foreground on the rink.

Return to Hush Blankets Graphic

Marketing Graphic Text Alternative (Chapter 1)

Are you a marketing expert? If so, what would you pay for this cutting-edge TV?

Alt Text (Short Description)

Five Samsung Qled 8 K televisions of different sizes are displayed in a large hall.

Detailed description



Their screens together display some skyscrapers peeking through some clouds, aligning with each other.

Return to Marketing Graphic

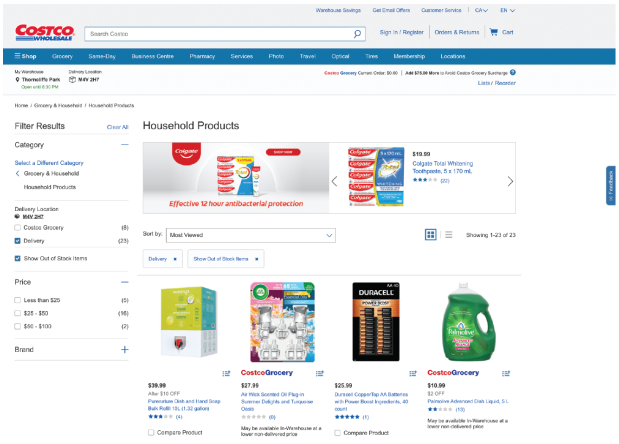
Costco understands Graphic Text Alternative (Chapter 1)

The Costco.ca site allows customers to easily compare products.

Alt Text (Short Description)

A screenshot of the Costco website. The website displays a variety of household products, including toothpaste, batteries, and cleaning supplies.

Detailed description



The website reads Costco wholesale at the top left followed by a search bar in the center, and three buttons labeled sign in or register, orders and returns, and cart, on the right. Above these 3 buttons, there are 5 buttons labeled warehouse savings, get email offers, customer service, C A, and E N. C A and E N have a dropdown arrow each. Below the header page is a tab with the following options from left to right: Shop, grocery, same-day, business center, pharmacy, services, photo, travel, optical, tires, membership, and locations. Below this tab is a section with details on the left for my warehouse shown as Thorncliffe Park open until 8 hours 30 minutes pm, delivery location M 4 V 2h7. On the right the given details are for Costco grocery current order: 0.00 Dollar followed by the text Add 75 Dollars more to avoid the Costco grocery surcharge. This is followed by a hyperlink for lists and reorders, below it. The home screen has 2 panels under household products under grocery and household that are under the home page, left and right. The left panel has four sections from top to bottom. The first section is for the filter results and has the following: Category.

Select a different category. Grocery and household. Household products. The second section is for delivery location and has the following text: M 4 V 2 H 7. This is followed by 3 checkboxes labeled Costco grocery and contains 8 items, Delivery which contains 23 items, and Show out-of-stock items. Delivery and show out-of-stock items check boxes are checked. The third section is for the price which includes 3 unchecked checkboxes for less than 5 dollars containing 5 items, 25 dollars to 50 dollars containing 16 items, and 50 dollars to 100 dollars containing 2 items. The fourth section is for the brand. The right panel is titled Household Products. Below the title are 2 advertisement blocks displaying the logo of Colgate, and the text effective 12-hour antibacterial protection, and the price of the product is 19.99 dollars followed by the description. Below this block is a filter for sorting, where the drop down menu is set as most viewed, on the left. The text on the right reads, showing 1 to 23 of 23. Below the filter are 2 boxes labeled delivery and show out-of-stock items, which are the applied filters. Below the boxes are the products displayed in a row. The products are pure nature dish and hand soap bulk refill 10 liters for 39.99 dollars, air wick scented oil plug-in summer delights and a turquoise oasis for 27.99 dollars, Duracell copper top a a batteries with power boost ingredients at 25.99 dollars, and Palmolive advanced dish liquid at 10.99 dollars. Hand soap and batteries have options to compare products while the other 2 products show that they may be available in-warehouse at a lower non-deliverable price.

Return to Costco understands Graphic

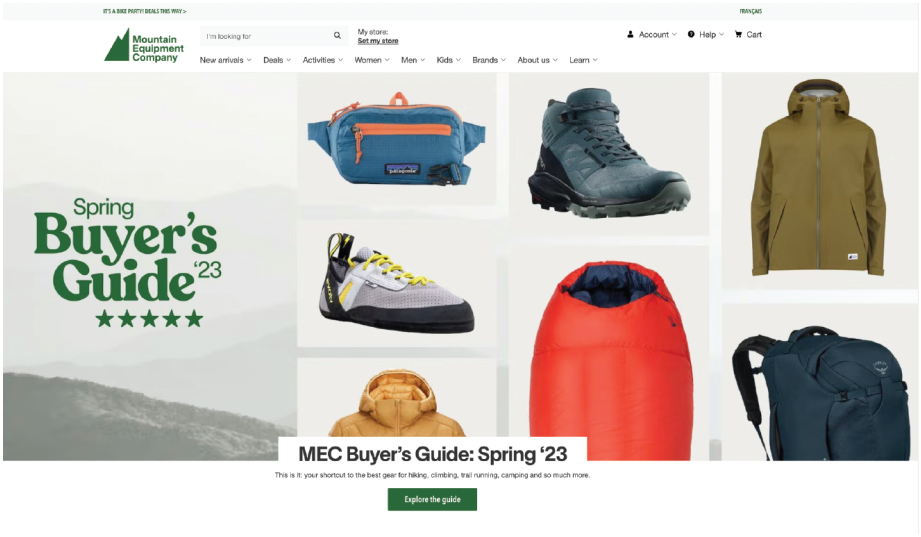
Creating products Graphic Text Alternative (Chapter 1)

MEC very simply highlights product quality in this ad.

Alt Text (Short Description)

A screenshot of the Mountain Equipment Company's buyer's guide for Spring 2023 features a variety of backpacks, tents, sleeping bags, and shoes.

Detailed description



The text at the top left reads, it’s a bike party exclamation mark deals this way, followed by a right arrowhead. This text is followed by the main header with an icon of a mountain followed by the text mountain equipment company, which is the logo of the company. To the right of the logo is a search bar, at the center. To its right are the text My store and the option to set my store below it. On the top right is the option to change the language which is currently set to Francois. Below are the links with drop-down arrows beside them labeled Account, Help, and Cart. Below the search bar is a menu bar with the links to the following pages: New Arrivals, deals, activities, women, men, kids, brands, About Us, and Learn. Each option here has a drop-down arrow. The page has 2 panels, left and right. The left panel has text reading Spring Buyer’s Guide ‘23. Below the text, there are 5 stars in a row. At the bottom of the left panel is a photo of the mountain. The products displayed in the right panel are as follows: Row 1 contains a fanny bag, hiking shoes, and a hoodie. Below the

fanny bag, is a sport shoe and a jacket, at the top and bottom. To their right is a hiking bag and a shoulder bag. At the bottom of these displayed products is a box labeled M E C Buyer's Guide: Spring '23. This is it: your shortcut to the best gear for hiking, climbing, trail running, camping and so much more. Below this is a button labeled Explore the Guide.

Return to Creating products Graphic

Halo Top ice cream Graphic Text Alternative (Chapter 1)

Halo Top allows consumers to feel good about eating ice cream without worrying about the calories.

Alt Text (Short Description)

A Halo Top Maple Pecan ice cream container.

Detailed description



The text on its side reads, 140 calories per 188 milliliters serving, 14 grams of sugar per 188 milliliters serving, and frozen dessert 473 milliliters.

Return to Halo Top ice cream Graphic

Movember Foundation Graphic Text Alternative (Chapter 1)

Alt Text (Short Description)

A poster for Movember has an illustration of a loading bar in the shape of a mustache with markings 0 and 1000 on either end of it.

Detailed description



The loading bar is three-forth loaded. The text on the poster above the mustache reads, How close are you to your (in bold) target? (bold ends). The text below the mustache reads, Don't just be satisfied with getting over the finish line-go big and mo for gold. (In Bold) Here's how (Bold ends).

Return to Movember Foundation Graphic

Benevity—Making CSR the Brand Graphic Text Alternative (Chapter 1)

Alt Text (Short Description)

A poster for Benevity. We are, a mighty force for collective impact. We are we. Benevity logo.

Detailed description



Above it is an icon of an arrow hitting the center of a target. The arrow's tail feather is in the shape of a heart.

Return to Benevity—Making CSR the Brand Graphic

Digital Marketing Graphic Text Alternative (Chapter 1)

Digital marketing provides many online communication tools.

Alt Text (Short Description)

A smartphone screen with a variety of social media apps on it.

Detailed description



Some of the icons are for Snapchat, Twitter, WhatsApp, Instagram, Facebook, and Pinterest.

Return to Digital Marketing Graphic

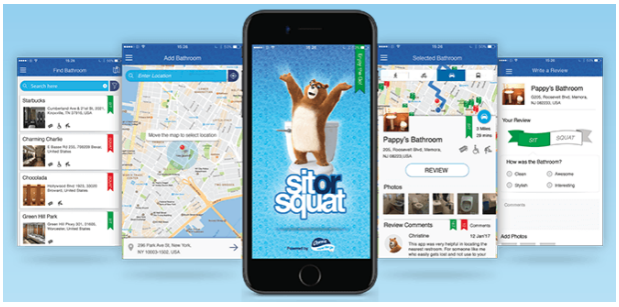
Digital Marketing Campaign Graphic Text Alternative (Chapter 1)

Charmin Sit or Squat campaign.

Alt Text (Short Description)

An advertisement for Charmin's Sit or Squat app, with screenshots of locations, maps, and ratings shown.

Detailed description



The app gives locations and cleanliness ratings for local toilets.

Return to Digital Marketing Campaign Graphic

Partnership Marketing Graphic Text Alternative (Chapter 1)

A strategic alliance between Scotiabank and Cineplex Entertainment created the SCENE loyalty card.

Alt Text (Short Description)

An advertisement shows a Scotiabank Scene plus debit card with a pile of popcorn in front of it.

Detailed description



The text above reads, “The faster way to earn Scene plus points.” The text below reads, Get 5 free movies when you open a bank account with a SCENE registered debit card. Plus, earn SCENE points on all your everyday purchases. Learn more at w w w dot Scotiabank dot com forward slash scene. You’re richer than you think: The Scotiabank logo is to its right. Some conditions are listed below.

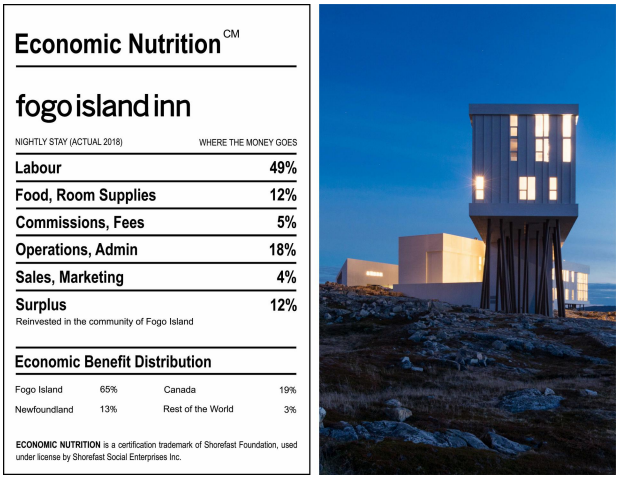
Return to Partnership Marketing Graphic

The Ethics of Greenwashing Graphic Text Alternative (Chapter 1)

Alt Text (Short Description)

A chart with information on Fogo Island Inn, and a photo of Fogo Island Inn.

Detailed description



Economic Nutrition[CM]

fogo island inn

NIGHTLY STAY (ACTUAL 2018)	WHERE THE MONEY GOES
Labour	49%
Food, Room Supplies	12%
Commissions, Fees	5%
Operations, Admin	18%
Sales, Marketing	4%
Surplus Reinvested in the community of Fogo Island	12%

Economic Benefit Distribution

Fogo Island	65%	Canada	19%
Newfoundland	13%	Rest of the World	3%

ECONOMIC NUTRITION is a certification trademark of Shorefast Foundation, used under license by Shorefast Social Enterprises Inc.

The chart on the left shows the following data: Economic Nutrition: Fogo Island Inn. Labour: 49 percent; Feed, Room Supplies: 12 percent; Commissions, Fees: 5 percent; Operation, Admin: 18 percent; Sales, Marketing: 4 percent; Surplus: 12 percent. A section below titled Economic Benefit Distribution has two rows and three columns of data which are not legible. The photo on the right shows the Fogo Island Inn, which are some buildings on rocky terrain. One particular building is over a foundation made of wooden logs.

Return to The Ethics of Greenwashing Graphic

Canadian marketing job-search Graphic Text Alternative (Chapter 1)

The Canadian Marketing Association has a job bank that can be used by its members.

Alt Text (Short Description)

A screenshot shows the Canadian Marketing Association website.

Detailed description



The screenshot shows the following links on the left: Job Seekers, Employers, Career Resources, and Professional Development. A photo on the right shows five people in formal attire sitting in chairs next to each other waiting, holding files, and fiddling with their phones. The text above this photo reads, Marketing Job Bank. Your Canadian Marketing Career Resource Center.

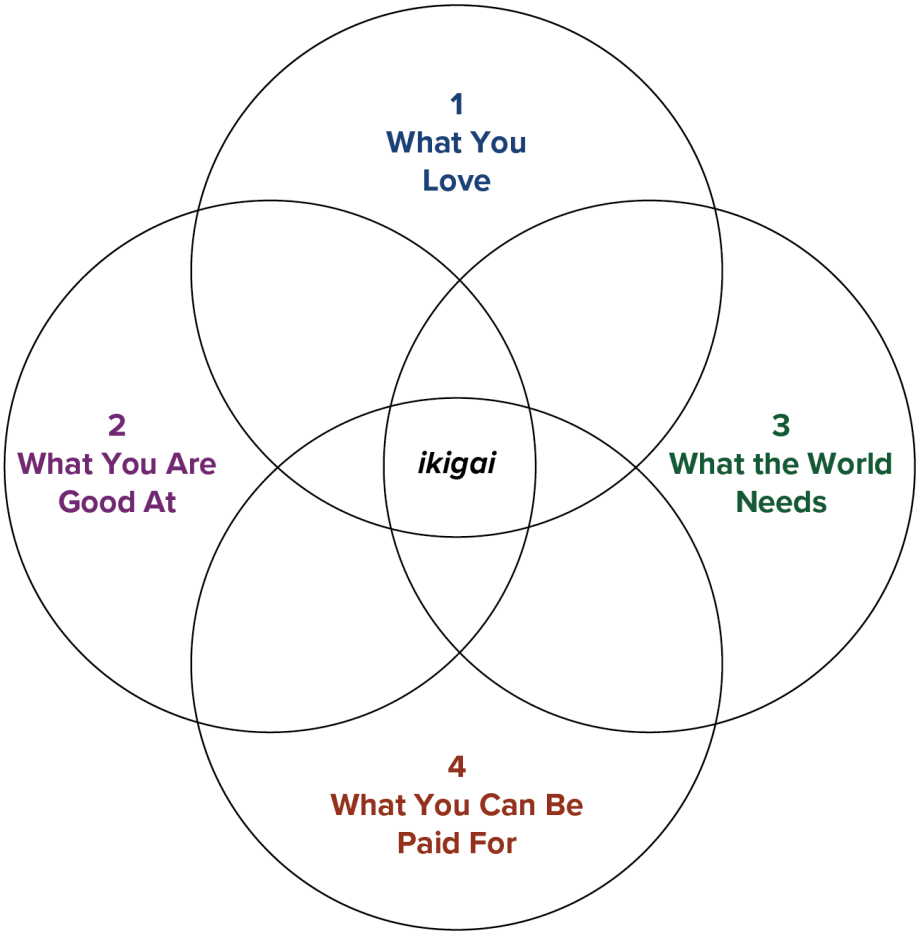
Return to Canadian marketing job-search Graphic

Venn diagram Graphic Text Alternative (Chapter 1)

Alt Text (Short Description)

A Venn diagram shows 4 overlapping circles.

Detailed description



Circle 1 is labeled what you love, circle 2 is labeled what you are good at, circle 3 is labeled what the world needs, and circle 4 is labeled what you can be paid for. The common region of intersection is labeled ikigai.

Return to Venn diagram Graphic

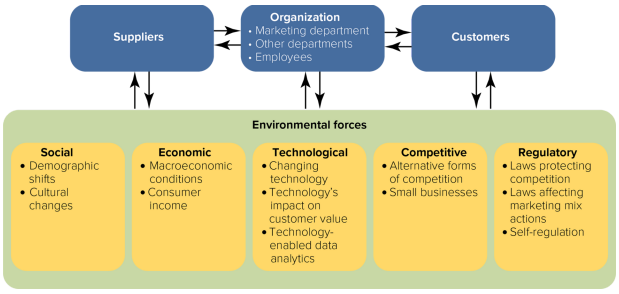
Figure 2-1 Text Alternative (Chapter 2)

Figure 2-1 The interaction of the external environment with the organization, customers, and suppliers

Alt Text (Short Description)

A block flow diagram for the interaction of the environmental forces with suppliers, organization, and customers.

Detailed description



The environmental forces comprise 5 blocks with their respective points as follows. The social environmental force has demographic shifts and cultural changes factors. The economic environmental force has macroeconomic conditions and consumer income factors. The technological environmental force has changing technology, technology's impact on customer value, and technology-enabled data analytics factors. The competitive environmental force has alternative forms of competition and small business factors. The regulatory environmental force has laws protecting competition, laws affecting marketing mix actions, and self-regulation factors. Above the environmental forces block 3 blocks labeled suppliers, an organization with a marketing department, other departments, and employees, and customers are present. These blocks connect with environmental forces block via arrows.

Return to Figure 2-1

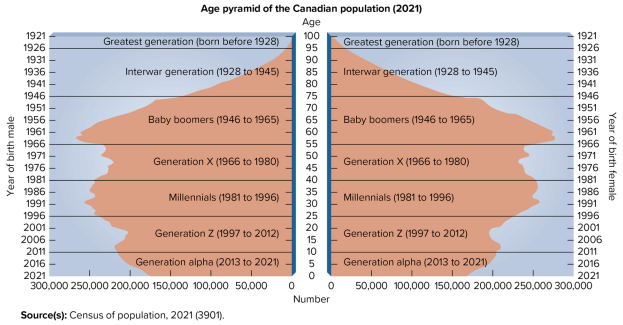
Figure 2-2 Text Alternative (Chapter 2)

Figure 2-2 Age pyramid of the Canadian population

Alt Text (Short Description)

Age pyramid of the Canadian population in 2021 for male and female.

Detailed description



The age groups are displayed on the vertical axis, and the number of people in each age group is displayed on the horizontal axis. The year of birth male on the left vertical axis ranges from 1921 at the top to 2021 at the bottom with increments of 5 years. The year of birth female on the right vertical axis ranges from 1921 at the top to 2021 at the bottom with increments of 5 years. In between these two vertical axes, a vertical axis for age is marked ranging from 0 at the bottom to 100 at the top with increments of 5. The horizontal axis of both graphs displays the number ranging from 0 to 300,00 with an increment of 50,000 from left to right, respectively. Both graphs have 7 sections ranging between different ranges of age and year of birth for males and females from top to bottom as follows: The greatest generation born before 1928 with an age range of 95 to 100 as of 2021. Interwar generation from 1928 and 1945 with an age range of 75 to 95 as of 2021. Baby boomers born between 1946 and 1965 with an age range of 55 to 75 as of 2021. Generation X was born between 1966 and 1980 with an age range of 40 to 55 as of 2021. Millennials are born between 1981 and 1996 with an age range of 25 to 40 as of 2021. Generation Z was born between 1997 and 2012 with an age range of 10 to 25 as of 2021. Generation alpha born between 2013 and 2021 with an age range of 0 to 10 as of 2021.

Return to Figure 2-2

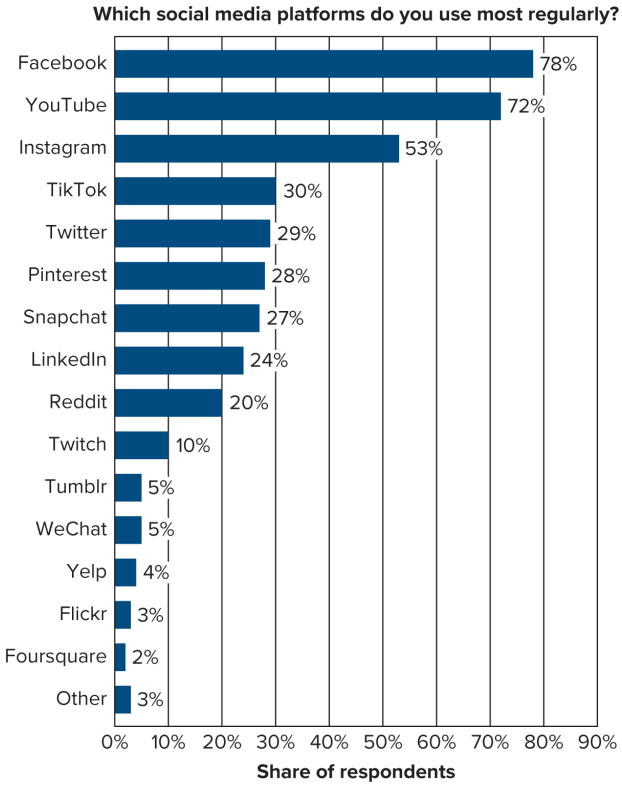
Figure 2-3 Text Alternative (Chapter 2)

Figure 2-3 2022 Canadian social media usage statistics

Alt Text (Short Description)

A horizontal bar graph shows the responses to the question, which social media platforms do you use most regularly.

Detailed description



The horizontal axis denotes the share of respondents ranging from 0 percent to 90 percent with an increment of 10 percent. The vertical axis denotes the social media platforms. The data in the graph for each social media platform is as follows. Facebook, 78 percent; YouTube, 72 percent; Instagram, 53 percent; Tiktok, 30 percent; Twitter, 29 percent; Pinterest, 28 percent; Snapchat, 27 percent; LinkedIn, 24 percent; Reddit, 20 percent; Twitch, 10 percent; Tumblr, 5 percent; WeChat, 5 percent; Yelp, 4 percent; Flickr, 3 percent; Foursquare, 2 percent; and other, 3 percent.

Return to Figure 2-3

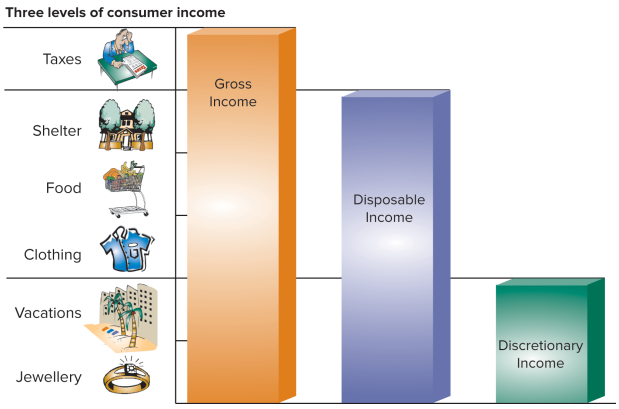
Figure 2-4 Text Alternative (Chapter 2)

Figure 2-4 Three levels of consumer income

Alt Text (Short Description)

An illustration depicts the three levels of customer income.

Detailed description



A chart showing a list of spending categories are as follows:

- Gross income:
  - Taxes
  - Shelter
  - Food
  - Clothing
  - Vacations
  - Jewellery
- Disposable Income:
  - Shelter
  - Food
  - Clothing
  - Vacations
  - Jewellery

- Discretionary Income:
  - Vacations
  - Jewellery

Return to Figure 2-4

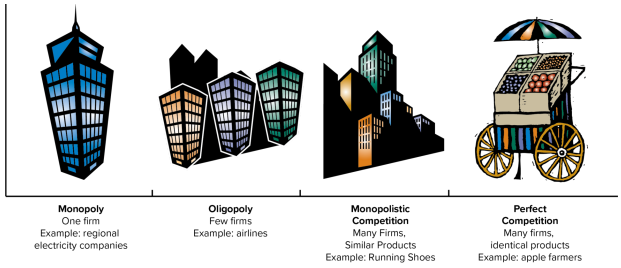
Figure 2-5 Text Alternative (Chapter 2)

Figure 2-5 Types of competition

Alt Text (Short Description)

An illustration depicts the types of competition in business.

Detailed description



The illustration shows the following: Monopoly: One firm. Example: regional electricity companies. Oligopoly: Few firms. Example: airlines. Monopolistic Competition: Many firms, similar products. Example: Running shoes. Perfect competition: Many firms, identical products. Example: apple farmers.

Return to Figure 2-5

Fraud Prevention Graphic Text Alternative (Chapter 2)

The Competition Bureau can levy hefty fines.

Alt Text (Short Description)

A poster with a dog sitting in front of a white brushstroke.

Detailed description



The text at the bottom left reads, Fraud Prevention Month: Recognize, reject, and report fraud. The Canada Logo is at the bottom right.

Return to Fraud Prevention Graphic

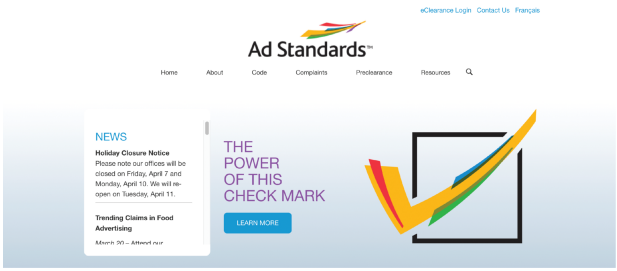
Fraud Prevention Graphic Text Alternative (Chapter 2)

Navigate to adstandards.ca to review guidelines and reports on advertising in Canada.

Alt Text (Short Description)

A screenshot of the Ad Standards website.

Detailed description



The screenshot shows the homepage of the website, which includes the following information: The Ad Standards logo at the center, at the top. A tab below the logo with the following options from left to right: Home, about, code, complaints, preclearance, and resource. Below the tab is the homepage with a text box for news on the left that reads the following information: Holiday Closure Notice. Please note our offices will be closed on Friday, April 7, and Monday, April 10. We will re-open on Tuesday, April 11. Trending Claims in Food Advertising. In the center, the text reads The power of this check mark, followed by a button with the text learn more over it. On the right, there is a tick mark over a square.

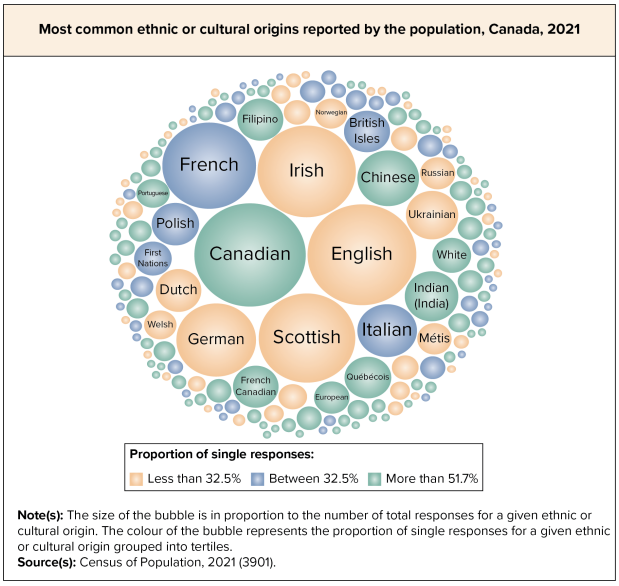
Return to Fraud Prevention Graphic

Cultural origins reported by the population Graphic Text Alternative (Chapter 2)

Alt Text (Short Description)

An illustration shows the most common ethnic or cultural origins reported by the population, in Canada, in 2021.

Detailed description



The bubbles indicate the proportion of single responses in different colors. The peach color is for less than 32.5 percent with the following responses in the order of larger to smaller sized bubbles: English, Scottish, Irish, German, Ukrainian, Dutch, Welsh, Russian, Metis, and Norwegian. The blue color bubbles are for between 32.5 percent responses with the following responses in the order of larger to smaller sized bubbles: French, Italian, Polish, British Isles, and First Nations. The green bubbles are for more than 51.7 percent with the following responses in the order of larger to smaller sized bubbles: Canadian, Chinese, Indian (India), Filipina, Quebecons, French Canadian, White, European, and Portuguese. The text at the bottom reads, Note(s): The size of the bubble is in proportion to the number of total responses for a given ethnic or cultural origin. The color of the bubble represents the

proportion of single responses for a given ethnic or cultural origin grouped into tertiles.
Source(s): Census of Population, 2021 (3901).

Return to Cultural origins reported by the population Graphic

Figure 3-1 Text Alternative (Chapter 3)

Figure 3-1 Purchase decision process

Alt Text (Short Description)

A flow chart shows a purchase decision process.

Detailed description



Five boxes in a row, each with an arrow pointing to the next, as follows: Problem recognition: Perceiving a need Information search: Seeking value Evaluation of alternatives: Assessing value Purchase decision: Buying value Post-purchase behaviour: Value in consumption or use

Return to Figure 3-1

Figure 3-3 Text Alternative (Chapter 3)

Figure 3-3 Influences on the customer purchase decision process

Alt Text (Short Description)

A flow chart shows the influences on the customer purchase decision process.

Detailed description



A central box with four boxes surrounding it. All boxes have titles and lists of information, as follows: Central box: Consumer purchase decision process. Each item has an arrow leading from it: downward to the next:, Problem recognition, Information search, Evaluation of alternatives, Purchase decision, Post-purchase behaviour, Four surrounding boxes. Each has an arrow pointing to the central box: Marketing mix influences: Product, Price, Promotion, Place; Socio-cultural influences: Personal influence, Reference groups, Family, Culture, Subculture; Situational influences: Purchase task, Social surroundings, Physical surroundings, Temporal effects, Antecedent states; Psychological influences: Motivation, Personality, Perception, Learning, Values, beliefs, and attitudes, and Lifestyle.

Return to Figure 3-3

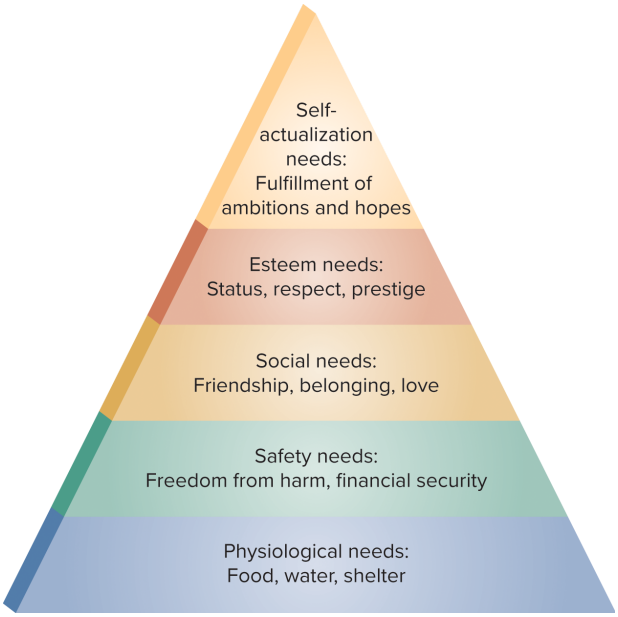
Figure 3-4 Text Alternative (Chapter 3)

Figure 3-4 Maslow's hierarchy of needs

Alt Text (Short Description)

An illustration shows Maslow's hierarchy of needs.

Detailed description



A pyramid sectioned horizontally, with each section labeled as follows from the base to the top: Physiological needs: Food, water, shelter; Safety needs: Freedom from harm, financial security; Social needs: Friendship, belonging, love; Esteem needs: Status, respect, prestige; and Self-actualization needs: Fulfillment of ambitions and hopes.

Return to Figure 3-4

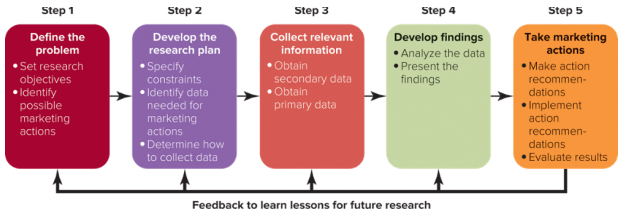
Figure 4-1 Text Alternative (Chapter 4)

Figure 4-1 The basic market research process

Alt Text (Short Description)

A flow chart shows the basic market research process.

Detailed description



The data from the flow chart are represented as follows: Step 1: Define the problem: set research objectives, identify possible marketing actions. Step 2: Develop the research plan: specify constraints, identify data needed for marketing actions, determine how to collect data. Step 3: Collect relevant information: obtain secondary data, obtain primary data. Step 4: Develop findings: Analyze the data, present the findings. Step 5: Take marketing actions: make action recommendations, implementation recommendations, evaluate results. An arrow from step 5 pointing to the other four steps is labeled Feedback to learn lessons for future research.

Return to Figure 4-1

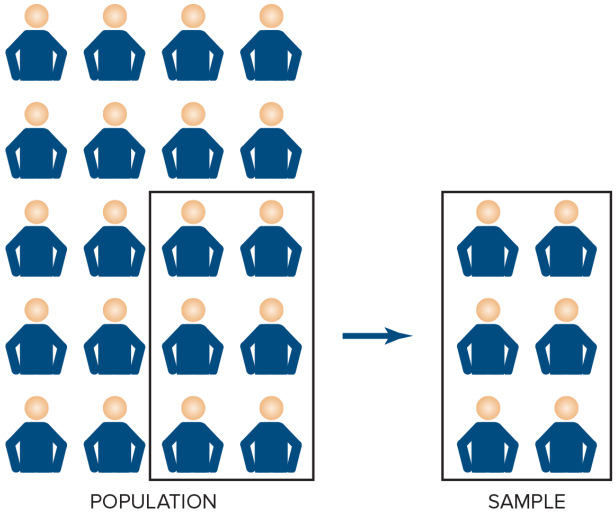
A properly selected sample Graphic Text Alternative (Chapter 4)

A properly selected sample should be representative of the population being studied.

Alt Text (Short Description)

Illustrations of human figures arranged in 4 columns and 5 rows denotes population out of which few are chosen as sample.

Detailed description



The illustrations on the left in 4 columns and 5 rows are labeled population and from the population, 6 human figures are enclosed in a rectangular box. The 6 chosen figures are in columns 3 and 4 and last 3 rows. They are shown on the right side inside a rectangle box labeled sample. The population and sample labels have a right-facing arrow in between. A woman holds an eyeshadow palette in her left hand while applying a blue eyeshadow on her right eye.

Return to A properly selected sample Graphic

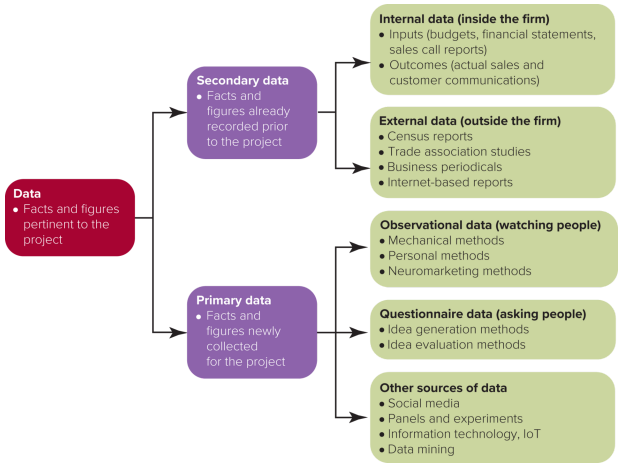
Figure 4-2 Text Alternative (Chapter 4)

Figure 4-2 Sources of information

Alt Text (Short Description)

A tree diagram for the sources of information comprises blocks for data that bifurcates to be divided into different sections.

Detailed description



The block data contains facts and figures pertinent to the project bifurcates into secondary data and primary data. Secondary data contains facts and figures already recorded prior to the project. The primary data contains facts and figures newly collected for the project. The secondary data bifurcates into internal data inside the firm with inputs for budgets, financial statements, sales call reports and outcomes for actual sales and customer communications and external data outside the firm contains census reports, trade association studies, business periodicals, and internet-based reports. The primary data trifurcates into observational data for watching people contains mechanical methods, personal methods, and neuromarketing methods, questionnaire data to ask people contains idea generation methods and idea evaluation methods, and other sources of data contains social media, panels and experiments, information technology , IoT, and data mining.

Return to Figure 4-2

Focus groups of students Graphic Text Alternative (Chapter 4)

Focus groups of students and instructors were used in developing this textbook.

Alt Text (Short Description)

Some students sit behind a table with their back facing the camera.

Detailed description



The students face towards a glass chamber within which are some people seated around a large table.

Return to Focus groups of students Graphic

Figure 4-3 Text Alternative (Chapter 4)

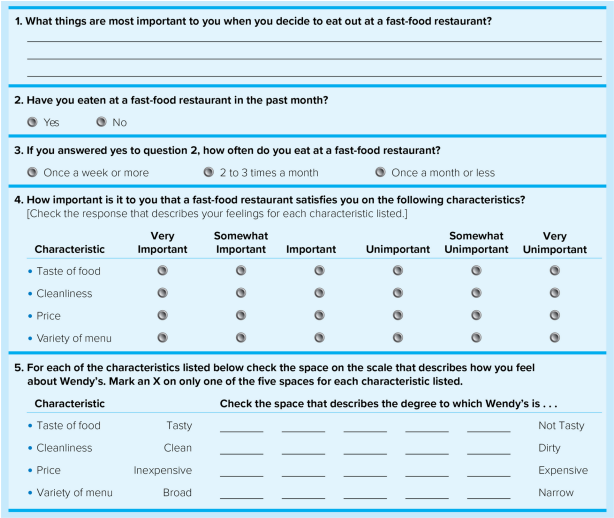
Figure 4-3 To obtain the most valuable information from consumers, this Wendy's survey uses four different kinds of questions discussed in the text

Alt Text (Short Description)

(Part A) A questionnaire with 5 questions related to customer's experience with fast-food restaurants.

(Part B) A questionnaire with 4 questions related to customer's experience with fast-food restaurants.

Detailed description



1. What things are most important to you when you decide to eat out at a fast-food restaurant?

_____

_____

_____

2. Have you eaten at a fast-food restaurant in the past month?

○ Yes ○ No

3. If you answered yes to question 2, how often do you eat at a fast-food restaurant?

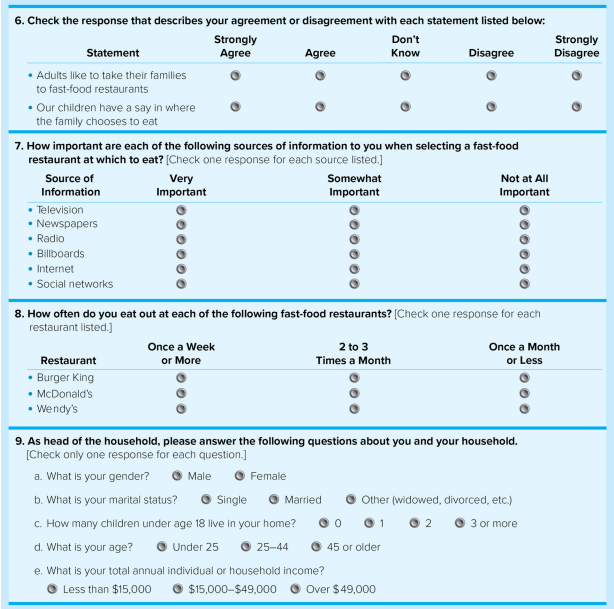
○ Once a week or more ○ 2 to 3 times a month ○ Once a month or less

4. How important is it to you that a fast-food restaurant satisfies you on the following characteristics?
[Check the response that describes your feelings for each characteristic listed.]

Characteristic	Very Important	Somewhat Important	Important	Unimportant	Somewhat Unimportant	Very Unimportant
• Taste of food	○	○	○	○	○	○
• Cleanliness	○	○	○	○	○	○
• Price	○	○	○	○	○	○
• Variety of menu	○	○	○	○	○	○

5. For each of the characteristics listed below check the space on the scale that describes how you feel about Wendy's. Mark an X on only one of the five spaces for each characteristic listed.

Characteristic		Check the space that describes the degree to which Wendy's is . . .					
• Taste of food	Tasty	_____	_____	_____	_____	_____	Not Tasty
• Cleanliness	Clean	_____	_____	_____	_____	_____	Dirty
• Price	Inexpensive	_____	_____	_____	_____	_____	Expensive
• Variety of menu	Broad	_____	_____	_____	_____	_____	Narrow



6. Check the response that describes your agreement or disagreement with each statement listed below:

Statement	Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree
• Adults like to take their families to fast-food restaurants					
• Our children have a say in where the family chooses to eat					

7. How important are each of the following sources of information to you when selecting a fast-food restaurant at which to eat? [Check one response for each source listed.]

Source of Information	Very Important	Somewhat Important	Not at All Important
• Television			
• Newspapers			
• Radio			
• Billboards			
• Internet			
• Social networks			

8. How often do you eat out at each of the following fast-food restaurants? [Check one response for each restaurant listed.]

Restaurant	Once a Week or More	2 to 3 Times a Month	Once a Month or Less
• Burger King			
• McDonald's			
• Wendy's			

9. As head of the household, please answer the following questions about you and your household. [Check only one response for each question.]

a. What is your gender? Male Female

b. What is your marital status? Single Married Other (widowed, divorced, etc.)

c. How many children under age 18 live in your home? 0 1 2 3 or more

d. What is your age? Under 25 25–44 45 or older

e. What is your total annual individual or household income? Less than $15,000 $15,000–$49,000 Over $49,000

Question 1. What things are most important to you when you decide to eat out at a fast-food restaurant question mark, followed by blank spaces for answers.. Question 2. Have you eaten at a fast-food restaurant in the past month question mark, followed by 2 options yes or no. Question 3. If you answered yes to question 2, how often do you eat at a fast-food restaurant question mark, followed by 3 options once a week or more, 2 to 3 times a month, and once a month or less. Question 4. How important is it to you that a fast-food restaurant satisfies you on the following characteristics question mark, check the response that describes your feelings for each characteristic listed, followed by 7 columns. The column headers are characteristic, very important, somewhat important, important, unimportant, somewhat unimportant, and very unimportant. The characteristic column has the following row headers, taste of food, cleanliness, price, and variety of menu. Each characteristic has circles below each feeling to be ticked. Question 5, for each of the characteristics listed below, check the space on the scale that describes how you feel about Wendy's. Mark an X on only one of the five spaces for each characteristic listed. The characteristics are the taste of food with the scale of tasty and not tasty and 4 blanks between them. Cleanliness with a scale of clean and dirty and 4 blanks between them. Price with a scale of inexpensive and expensive with 4 blanks between them. Variety of menu with a scale of broad to narrow with 4 blanks between them.

Question 6, check the response that describes your agreement or disagreement with each statement listed below. Statement 1, Adults like to take their families to fast-food restaurants, and statement 2, our children have a say in where the family chooses to eat and responses to

be ticked are strongly agree, agree, don't know, disagree, and strongly disagree. Question 7, how important are each of the following sources of information to you when selecting a fast-food restaurant at which to eat question mark check one response for each source listed. Sources of information's are television, newspapers, radio, billboards, internet, and social networks. Each source of information has 3 responses very important, somewhat important, and not at all important, from which one has to be chosen. Question 8, how often do you eat out at each of the following fast-food restaurants question mark check one response for each restaurant listed. Restaurants are Burger King, McDonald's, and Wendy's. Each restaurant has 3 responses once a week or more, 2 to 3 times a month, and once a month or less, from which one has to be chosen. Question 9, as head of the household, please answer the following questions about you and your household. Check only one response for each question. A, what is your gender, choose from male or female. B, what is your marital status choose from single, married, other such as widowed, divorced, etcetera. C, how many children under age 18 live in your home, 0, 1, 2, and 3 or more. D, what is your age under 25, 25 to 44, and 45 or older. E, what is your total annual individual or household income, less than 15000 dollars, 15000 dollars to 49000 dollars, or over 49000 dollars.

Return to Figure 4-3

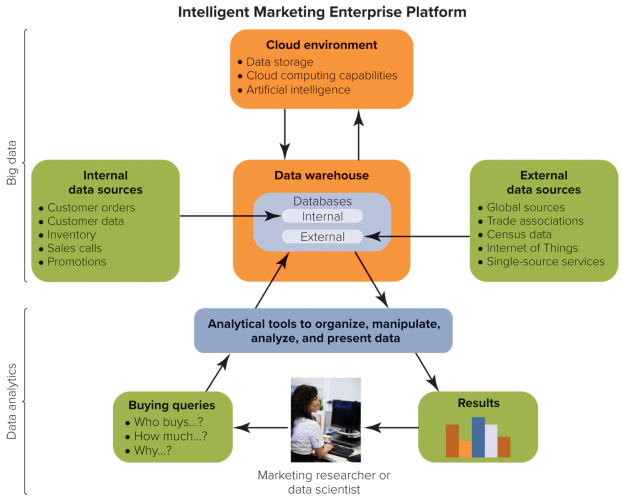
Figure 4-5 Text Alternative (Chapter 4)

Figure 4-5 How marketing researchers and managers use an intelligent enterprise platform to turn data into action

Alt Text (Short Description)

A flow chart shows how marketing researchers and managers use an intelligent enterprise platform to turn data into action.

Detailed description



The flowchart is divided into two sections: the top half is labeled Big Data, and the bottom is labeled Data analytics.

Big Data: the center box is labelled Data warehouse containing internal and external databases. Pointing to and from data warehouse: cloud environment:

- Data storage.
- Cloud computing capabilities.
- Artificial intelligence.

Pointing to internal databases: Internal data sources:

- Customer orders.
- Customer data.
- Inventory.

- Sales calls.
- Promotions.

Pointing to external databases: External data sources:

- Global sources.
- Trade associations.
- Census data.
- Internet of Things.
- Single-source services.

Data analytics:

Analytical tools to organize, manipulate, analyze, and present data, points to and from Data warehouse in top half, Big data.

Analytical tools to organize, manipulate, analyze, and present data, also points to Results, which points to marketing researcher or data scientist, then to buying queries:

- who buys...?
- how much...?
- Why...?

which points back to analytical tools to organize, manipulate, analyze and present data.

Return to Figure 4-5

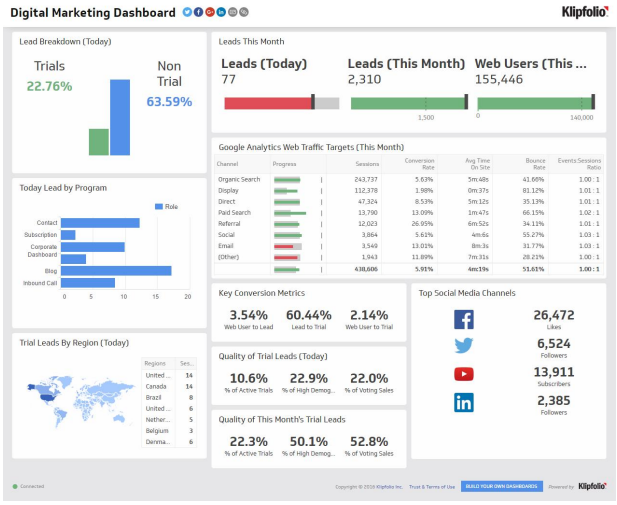
Dashboards Graphic Text Alternative (Chapter 4)

Dashboards help marketers visualize metrics.

Alt Text (Short Description)

A screenshot of the digital marketing dashboard of Klipfolio displaying 9 sections.

Detailed description



The top left section of the dashboard is for a lead breakdown of today that shows 2 vertical bars for trials at 22.76 percent in green color on the left and nontrial at 63.59 percent in blue on the right. The second section below this is for today's lead-by program that shows 6 horizontal bars denoting the roles on a scale of 0 to 20 with an increment of 5, exhibiting the following data. The contact bar ranges to around 13, the subscription bar ranges to around 3, the corporate bar ranges to around 10, the dashboard bar ranges to around 4, the blog bar ranges to around 18, and the inbound call bar ranges to around 9. The third section is below this for trial leads by region today shows a world map with light and dark blue shaded regions. The fourth section is to the right of the first section and it is for leads this month. It shows leads today as 77 and a scaling bar leads this month as 2310 and a scaling bar below it with a section marked at 1500, and web users as 155446 with a scaling bar below it marked 0 on the left and 140000 at the near end of the right side. Below this is the fourth section for Google Analytics web traffic targets this month presented in a tabular

format with 7 columns and 8 rows. The column headers are channel, progress, sessions, conversion rate, average time on site, bounce rate, and events session ratio. Below this section is the sixth section for key conversion metrics showing 3.54 percent web users to lead, 60.44 percent lead to trial, and 2.14 percent web users to trial. Below this section is the seventh section shows the quality of trial leads today shows 10.6 percent of active trials, 22.9 percent of high demography, and 22.0 percent of voting sales. Below this section is the eighth section for the quality of this month's trial leads showing 22.3 percent of active trials, 50.1 percent of high demography, and 52.8 percent of voting sales. The tenth section is on the bottom right and shows the top social media channels showing Facebook with 26,472 likes, twitter with 6524 followers, YouTube with 13911 subscribers, and LinkedIn with 2385 followers.

Return to Dashboards Graphic

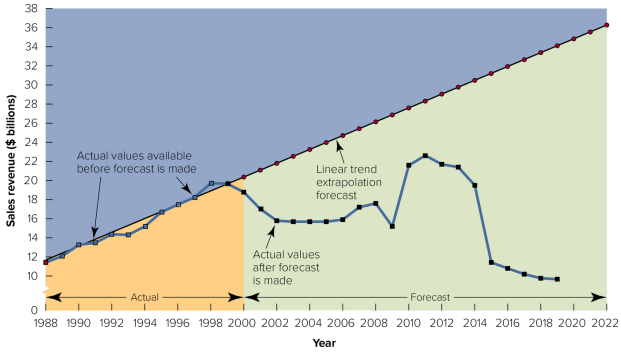
Figure 4-8 Text Alternative (Chapter 4)

Figure 4-8 Linear trend extrapolation of sales revenues at Xerox, made at the start of 2000

Alt Text (Short Description)

A line graph of sales revenue in billions dollars versus years from 1988 to 2022.

Detailed description



The vertical axis denotes sales revenue in billions dollars ranging from 0 to 38 with an increment of 2 after 10. The horizontal axis denotes years from 1988 to 2022 with an increment of 2 years. From 1988 to 2000 the graph denotes actual data and from 2000 to 2022 it denotes forecast data. A diagonal is drawn on the graph from (1988, 12) to (2022, 36) for linear trend extrapolation forecast. A fluctuating curve begins from (1988, 12) to (2020, 10) through (1991, 13) and (1997, 18) for actual values available before forecast is made, (2002, 14) for actual values after forecast is made, followed by fluctuating trend.

Return to Figure 4-8

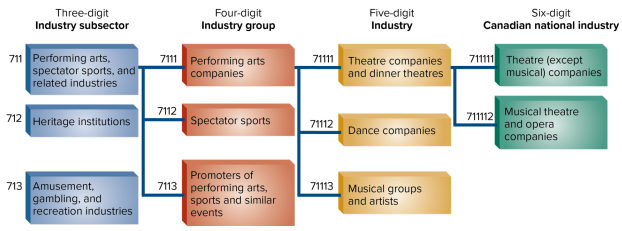
Figure 5-1 Text Alternative (Chapter 5)

Figure 5-1 NAICS breakdown for the Arts, Entertainment, and Recreation sector: NAICS code 71 (abbreviated)

Alt Text (Short Description)

A flow chart shows the N A I C S breakdown for the Arts, Entertainmment, and Recreation sector: N A I C S code 71.

Detailed description



NAICS breakdown for the Arts, Entertainment, and Recreation sector: NAICS code 71 (abbreviated). A flowchart with lines connecting boxes. Three-digit Industry subsector: 711: Performing arts, spectator sports, and related industries 712: Heritage Institutions 713: Amusement, gambling and recreation industries Four-digit Industry group: 7111: Performing arts companies 7112: Spectator sports 7113: Promoters of performing arts, sports and similar events Five-digit Industry: 71111: Theatre companies and dinner theatres 71112: Dance companies 71113: Musical groups and artists Six-digit Canadian national industry: 711111: Theatre (except musical) companies 711112: Musical theatre and opera companies. Lines connect 711 to 7111, 7112, and 7113; lines connect 7111 to 71111, 71112, and 71113; lines connect 71111 to 711111 and 711112.

Return to Figure 5-1

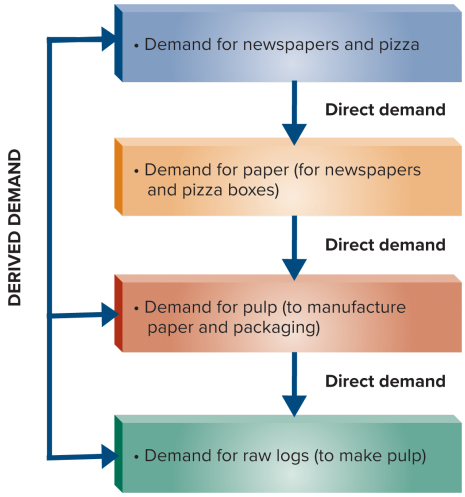
Figure 5-3 Text Alternative (Chapter 5)

Figure 5-3 Direct versus derived demand

Alt Text (Short Description)

A flow chart compares direct versus derived demand.

Detailed description



The flow chart with a vertical label: Derived Demand. Next to the label a vertical line has three arrows coming out of it horizontally, pointing to three out of four vertical boxes. The lines from the Derived Demand label point to the first, third, and fourth boxes. Each of the boxes, except the last, has an arrow labeled Direct demand, which points to the one below it. The boxes from top to bottom are labeled as follows: Demand for newspapers and pizza; Demand for paper (for newspapers and pizza boxes); Demand for pulp (to manufacture paper and packaging); and Demand for raw logs (to make pulp).

Return to Figure 5-3

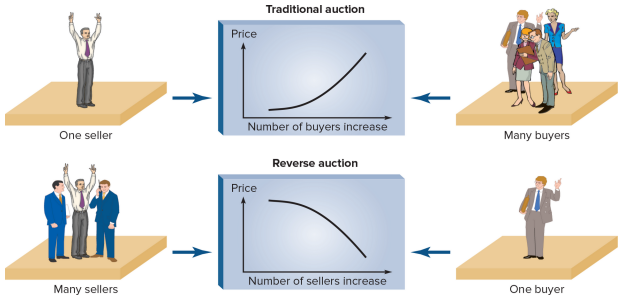
Figure 5-7 Text Alternative (Chapter 5)

Figure 5-7 How buyer and seller participants and price behaviour differ by type of online auction

Alt Text (Short Description)

An illustration shows how buyer and seller participants and price behaviour differ by type of online auction.

Detailed description



The illustration shows the following: Traditional auction One seller (arrow to middle chart) A chart. The vertical axis is labeled Price; the horizontal axis is labeled Number of buyers increase. A plotted line curves up and to the right from the origin. Many buyers (arrow to middle chart) Reverse auction Many sellers (arrow to middle chart) A chart. The vertical axis is labeled Price; the horizontal axis is labeled Number of buyers increase. A plotted line curves down and to the right from high up on the vertical axis. One buyer (arrow to middle chart)

Return to Figure 5-7

Development Goals Graphic Text Alternative (Chapter 5)

Alt Text (Short Description)

An illustration depicts sustainable development goals.

Detailed description



In the illustration, seventeen icons in eighteen squares are arranged in three rows. The first row contains six squares and are as follows: 1. No poverty is shown by icons of people of different ages and genders. 2. Zero hunger is shown by an icon of a bowl with steam over it. 3. Good wealth and well-being are shown by a pulse rate and heart icon. 4. Quality education is shown by an open notebook and a pen. 5. Gender equality is shown by a circle with an arrow at the top right, a plus sign at the bottom, and an equal sign at the center. 6. Clean water and sanitation is shown by a glass filled with water and a down arrow at the bottom of the glass. The second row contains goals from seven to twelve and they are as follows: 7. Affordable and clean energy with an icon of the sun and power off and on over it. 8. Decent work and economic growth with an icon of 3 vertical bars and an increasing arrow above them. 9. Industry innovation and infrastructure with an icon of three stacked cubes. 10. Reduced inequalities with an icon of an equal to sign within a circle. 11. Sustainable cities and communities with an icon of some buildings. 12. Responsible consumption and production with an infinity symbol. The third row contains goals from thirteen to seventeen and are as follows: 13. Climate action with an icon of the earth at the center of an eye. 14. Life below water with an icon of fish underwater. 15. Life on land with an icon of a tree and some birds. 16. Peace, justice, and strong institutions with an icon of a bird with a leaf in its beak sitting over a gavel. 17. Partnerships for the goals with an icon of

five circles arranged in a way that they meet at the center. A square labeled sustainable development goals is at the end on the right.

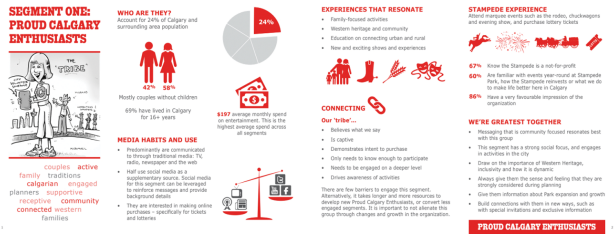
Return to Development Goals Graphic

Proud Calgary Enthusiasts Graphic Text Alternative (Chapter 6)

Alt Text (Short Description)

An infographic contains cartoon, text, illustrations, and details for the segment one proud Calgary enthusiasts in 5 columns.

Detailed description



The leftmost column shows a cartoon of a woman using her smartphone while a man behind her walks his dog. The text on the top right reads The Tribe. A speech bubble emerges from the smartphone with the text being illegible. Further in the background are three people on the right, and some buildings on the left. Below the cartoon the text reads couples, active, family traditions, Calgarian engaged, planners supportive, receptive community, connected western families. The second column has the text at the top reading Who are they question mark. Account for 24 percent of Calgary and surrounding area population. Below this a boy and a girl are illustrated and numbered 42 percent and 58 percent, respectively. Below this the text reads mostly couples without children. 69 percent have lived in Calgary for 16 plus years. Below this the heading reads media habits and use, followed by 3 points: Predominantly are communicated to through traditional media. TV radio, newspaper and the web. Half use social media as a supplementary source. Social media for this segment can be leveraged to reinforce messages and provide background details. They are interested in making online purchases specifically for tickets and lotteries. The third column has the following details from top to bottom: A pie chart with 24 percent marked area, an illustration of two dollar bills with the text below reading, 197 dollars average monthly spend on entertainment. This is the highest average spend across all segments. Further below an illustration shows a weighing scale with the scale with a television, a tower, and a radio on the lower side and the scale with the social media apps on

the higher side. The fourth column shows the following details: The text at the top reads, Experiences that resonate, followed by 4 points that are, family focused activities; western heritage and community; education on connecting urban and rural; and new and exciting shows and experiences. These points are followed by illustrations of a family of four people, a boot, two wheat crops, and two masks. Below the illustrations the text reads, Connecting, our tribe, followed by an illustration of two chain links, 6 points and a paragraph. The points read as follows: believes what we say; Is captive; demonstrates intent to purchase; only needs to know enough to participate; needs to be engaged on a deeper level; and drives awareness of activities. The text further below reads there are few barriers to engage this segment. Alternatively, it takes longer and more resources to develop new Proud Calgary Enthusiasts, or convert less engaged segments. It is important to not alienate this group through changes and growth in the organization. The fifth column has the following text: Stampede Experience: Attend marquee events such as the rodeo, chuckwagons and evening show, and purchase lottery tickets. The text is followed by four illustrations of a person riding a horse, fireworks exploding, a wagon drawn by many horses, and a ticket. Below the illustrations the text reads, 67 percent know the Stampede is a not-for-profit, 60 percent are familiar with events year-round at Stampede Park, how the Stampede reinvests or what we do to make life better here in Calgary, and 86 percent have a very favourable impression of the organization. Below this the heading reads we're greatest together followed by six points which are as follows: Messaging that is community focused resonates best with this group; this segment has a strong social focus, and engages in activities in the city; draw on the importance of Western Heritage, inclusivity and how it is dynamic; always give them the sense and feeling that they are strongly considered during planning; give them information about Park expansion and growth; and build connections with them in new ways, such as with special invitations and exclusive information. The text further below reads, Proud Calgary Enthusiasts.

Return to Proud Calgary Enthusiasts Graphic

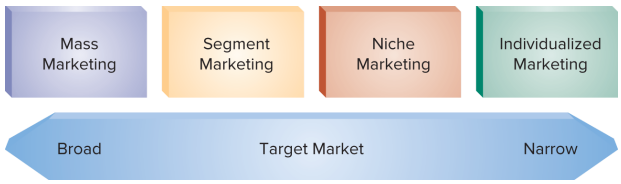
Figure 6-1 Text Alternative (Chapter 6)

Figure 6-1 Companies can take different approaches to market segmentation

Alt Text (Short Description)

An illustration shows the different approaches that companies can take to market segmentation.

Detailed description



The illustration shows the following: Four components labeled Mass marketing, Segment marketing, Niche marketing, and Individualized marketing. A double-headed arrow below has Broad on its left end, and Narrow on its right end, and Target Market at the center. Mass Marketing corresponds with Broad, and Individualized marketing corresponds with Narrow.

Return to Figure 6-1

Tru Earth laundry Graphic Text Alternative (Chapter 6)

What segmentation strategy is used by Tru Earth with its laundry detergent?

Alt Text (Short Description)

9 boxes of the Tru earth laundry detergents arranged in a row.

Detailed description



The text at the top reads, Finally a plastic jug-free laundry detergent that's as sensitive on your skin as it is to the environment. A button below reads, Try Tru Earth Today.

Return to Tru Earth laundry Graphic

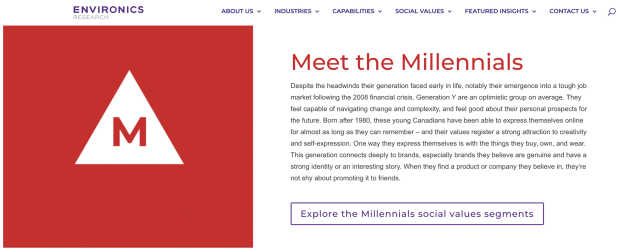
Meet The Millennials Graphic Text Alternative (Chapter 6)

One of the social values of the Stoic Independents segment in the Millennials generation.

Alt Text (Short Description)

A screenshot of the environics research page displaying links at the top right, a logo on the left, and some textual content on the right.

Detailed description



The links with drop down arrows beside them on the top right are as follows: about us, industries, capabilities, social values, featured insights, and contact us followed by a magnifying glass icon for search option. On the bottom left section is a huge red rectangle with a white triangle inside. Inside the triangle there is the letter M. On the right, the heading reads meet the millennials. The heading is followed by a paragraph of text that reads, Despite the headwinds their generation faced early in life, notably their emergence into a tough job market following the 2008 financial crisis, Generation Y are an optimistic group on average. They feel capable of navigating change and complexity, and feel good about their personal prospects for the future. Born after 1980, these young Canadians have been able to express themselves online for almost as long as they can remember - and their values register a strong attraction to creativity and self-expression. One way they express themselves is with the things they buy, own, and wear. This generation connects deeply to brands, especially brands they believe are genuine and have a strong identity or an interesting story. When they find a product or company they believe in, they’re not shy about promoting it to friends. Below the text is a button labeled explore the millennials social values segments.

Return to Meet The Millennials Graphic

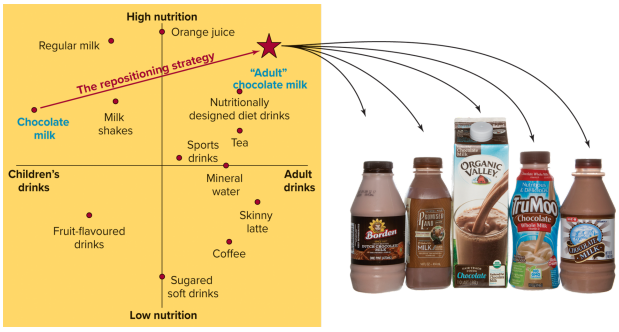
Figure 6-5 Text Alternative (Chapter 6)

Figure 6-5 A positioning map to suggest a strategy for positioning beverages

Alt Text (Short Description)

A graph and a photo show a positioning map to suggest a strategy for positioning beverages.

Detailed description



The horizontal axis of the map ranges from children's drinks on the left to adult drinks on the right. The vertical axis ranges from low nutrition on the bottom to high nutrition at the top. Chocolate milk is a children's drink in high nutrition. An arrow, labelled the repositioning strategy, points from Chocolate milk to "adult" chocolate milk, an adult drink with higher nutrition. Arrows point from "adult" chocolate milk to a photograph of different brands of adult chocolate milk. Regular milk is a children's drink and very high in nutrition. Milk shakes are less of a children's drink than regular milk, but less nutritious. Orange juice is the most nutritious drink and on the vertical axis. Sports drinks are just above the horizontal axis and more of an adult drink. Mineral water is an adult drink with average nutrition. Tea is an adult drink with more nutrition that mineral water, and nutritionally designed diet drinks are an adult drink that is more nutritious than tea. Fruit-flavored drinks are a children's drink and low in nutrition. Sugared soft drinks are on the vertical axis and the lowest in nutrition. Coffee is more of an adult drink and is low in nutrition. A skinny latte is an adult drink that is low in nutrition but higher than coffee.

Return to Figure 6-5

Help Stop it Graphic Text Alternative (Chapter 7)

What type of product is being marketed by MADD?

Alt Text (Short Description)

A MADD Canada poster with a photo of a car rear-view mirror.

Detailed description



The text above it reads, Impaired Driving, madd Campaign 911, Spot it. Help Stop it. Call 911. If you see a driver you suspect is impaired, pull over and call 911. Working together, we can save lives. The madd logo is at the bottom left.

Return to Help Stop it Graphic

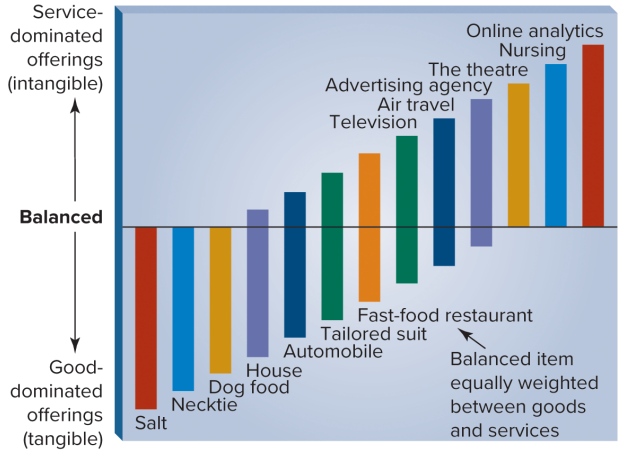
Figure 7-1 Text Alternative (Chapter 7)

Figure 7-1 The service continuum

Alt Text (Short Description)

A bar graph shows the service continuum.

Detailed description



The x-axis has vertical bars, and is in the middle of the graph. The y-axis is labelled balanced in the center, good-dominated offerings (tangible) at the bottom, and service-dominated offerings (intangible) at the top. All data is approximate. The bars, left to right: Salt: from 90% down the axis to good-dominated offerings, up to balanced, at center. Necktie: 75% down to good-dominated, up to balanced. Dog food: 70% down to good-dominated, up to balanced. House: 60% down to good-dominated, up to 10% above balanced. Automobile: 50% down to good-dominated, up to 25% above balanced. Tailored suit: 40% down to good-dominated, up to 30% above Balanced. Fast-food restaurant: evenly above and below balance axis. Marked: Balanced item equally weighted between goods. Television: 25% down to good-dominated, up to 50% above balanced. Air travel: 20% down to good-dominated, up 60% to service-dominated. Advertising agency: 10% down below balanced, up 65% to service-dominated. The theater: from balanced up 70% to service-dominated. Nursing: from balanced up 75% to service-dominated. Online analytics: from balance up 85% to the most service-dominated.

Return to Figure 7-1

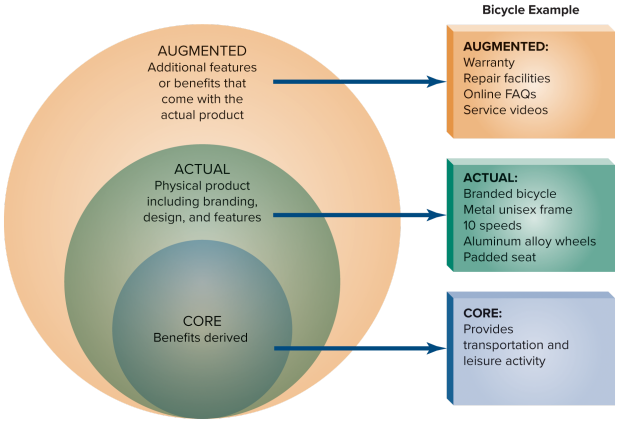
Figure 7-2 Text Alternative (Chapter 7)

Figure 7-2 The total product concept applied to a bicycle

Alt Text (Short Description)

An illustration shows the total product concept applied to a bicycle.

Detailed description



Three circles and associated text boxes titled bicycle examples. Smallest circle: Core, benefits derived. Bicycle example, Core: provides transportation and leisure activity. Middle circle: Actual, physical product including branding, design, and features. Bicycle example, Actual: Branded bicycle. Metal unisex frame. 10 speeds. Aluminum alloy wheels. Padded seat. Largest circle: Augmented, additional features of benefits that come with the actual product. Bicycle example, Augmented: Warranty. Repair facilities. Online F A Qs. Service videos.

Return to Figure 7-2

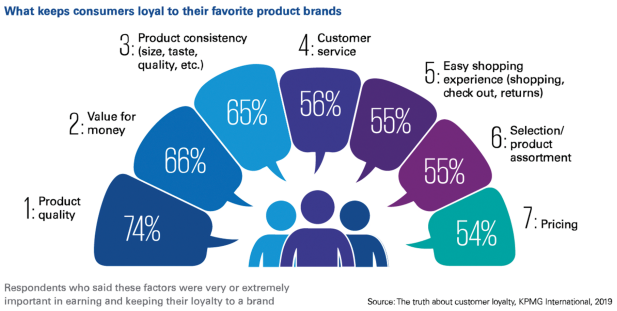
Consumers reveal Graphic Text Alternative (Chapter 7)

Consumers reveal what keeps them coming back.

Alt Text (Short Description)

An illustration shows the revelation made by consumers as to what keeps them coming back.

Detailed description



The illustration shows the following data: 1. Product quality, 74 percent. 2. Value for money, 66 percent. 3. Product consistency (size, taste, quality, etc.), 65 percent. 4. Customer service, 56 percent. 5. Easy shopping experience (shopping, check out, returns), 55 percent. 6. Selection/product assortment, 55 percent. 7. Pricing, 54 percent.

Return to Consumers reveal Graphic

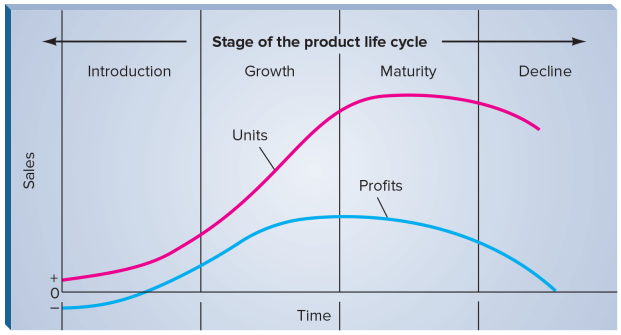
Figure 8-1 Text Alternative (Chapter 8)

Figure 8-1 Product life cycle

Alt Text (Short Description)

A graph shows a product life cycle.

Detailed description



A chart is labeled Stage of the product life cycle and contains a double-headed, horizontal arrow. The vertical axis is labeled Sales and is divided into negative and positive 0. The horizontal axis is labeled Time. The horizontal axis is divided into roughly equal vertical sections labeled, from left to right, Introduction, Growth, Maturity, and Decline. Two lines are plotted on the graph: Units and Profits. The Units line begins above zero on the vertical axis and gradually increases across the Introduction section. The line then steeply increases in the Growth section, leveling off and very gradually decreasing during the Maturity section, and then decreases in the Decline section. The Profits line begins slightly below zero on the vertical axis and gradually increases across the Introduction section, paralleling the Units line. Through the Growth section, the Profits line gradually increases, and then levels out halfway across. The Profits line then begins a decline across the Maturity section, and then steeply decreases in the Decline section.

Return to Figure 8-1

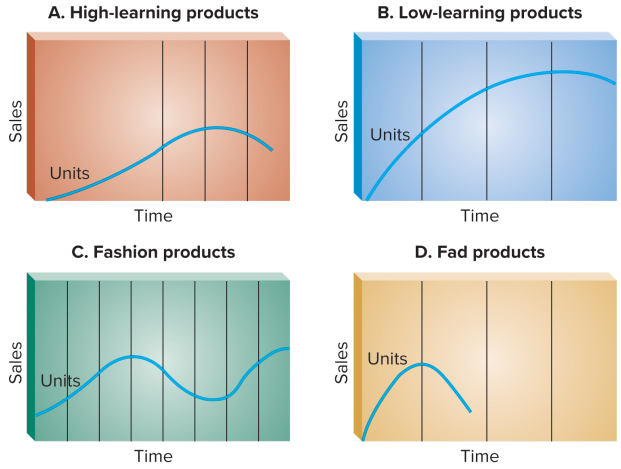
Figure 8-4 Text Alternative (Chapter 8)

Figure 8-4 Alternate product life cycles

Alt Text (Short Description)

Four graphs show alternate product life cycles.

Detailed description



Four charts are labeled A. High-learning products; B. Low-learning products; C. Fashion products; and D. Fad products. Each chart has a vertical axis labeled Sales and a horizontal axis labeled Time. Each chart is plotted with a line labeled Units. High-learning products: The Units line begins slightly to the right of the origin on the horizontal axis and zero on the vertical axis. The Units line reaches its peak about three-fourths across the graph until it begins a gradual decrease, stopping slightly before the right-hand side of the graph and one-fourth up on the vertical axis. Low-learning products: The Units line begins slightly to the right of the origin on the horizontal axis and zero on the vertical axis. The Units line increases across the graph until reaching its peak three-fourths across. Until the end of the graph, the line gradually decreases until stopping three-fourths up on the vertical axis. Fashion products: The Units line begins at zero on the horizontal axis and slightly up on the vertical axis. The Units line increases until reaching a peak one-third of the way across the horizontal axis. The Units line then decreases until reaching a trough one-fourth up on the vertical axis. The Units line then increases until stopping halfway up on the vertical axis. Fad products: The Units line begins at the origin and increases sharply until reaching a peak one-

fourth across the horizontal axis. The Units line then sharply decreases until stopping just short of halfway across the horizontal axis and about one-fourth up on the vertical axis.

Return to Figure 8-4

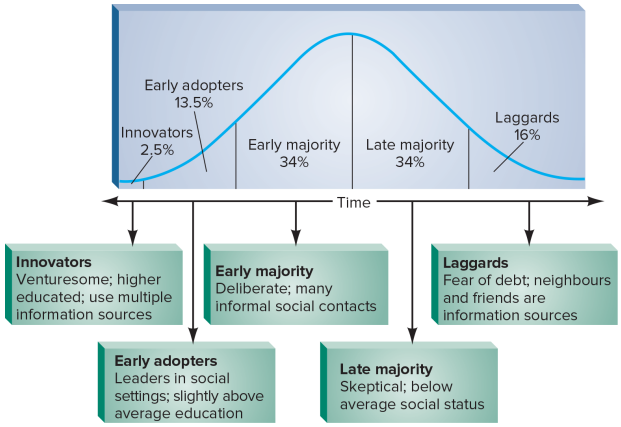
Figure 8-6 Text Alternative (Chapter 8)

Figure 8-6 The adoption curve

Alt Text (Short Description)

A graph shows the adoption curve

Detailed description



A bell curve is plotted along a horizontal axis, labeled Time. The area under the curve is divided into five sections labeled, from left to right, as follows: Innovators: 2.5 percent, Venturesome; higher educated; use multiple information sources; Early adopters: 13.5 percent, Leaders in social settings; slightly above average education; Early majority: 34 percent, Deliberate; many informal social contacts; Late majority: 34 percent Skeptical; below average social status, Laggards: 16 percent, Fear of debt; neighbours and friends are information sources.

Return to Figure 8-6

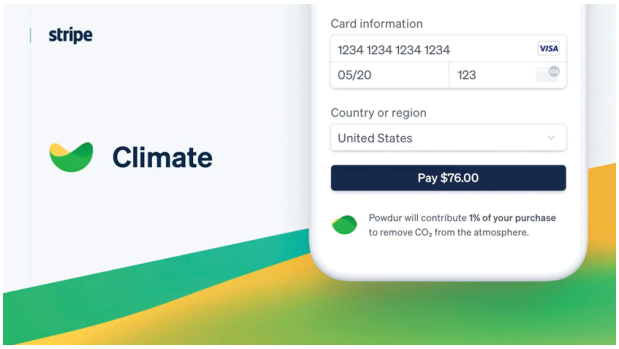
Enter Stripe Climate Graphic Alternative (Chapter 8)

Stripe Climate

Alt Text (Short Description)

A screenshot of the stripe page displaying the bottom portion of a smart phone with card details.

Detailed description



The details on the phone screen include the card information 1234 1234 1234 1234 for the visa card, followed by expiry date 05 forward slash 20, C V V 123. Below these details is a drop-down field for the country or region, which has the entry United States, followed by a button to pay 76.00 dollars. The disclaimer at the bottom reads, Powdur will contribute 1 percent of your purchase to remove C O 2, from the atmosphere. To the left of the phone screen is a text that reads climate.

Return to Enter Stripe Climate Graphic

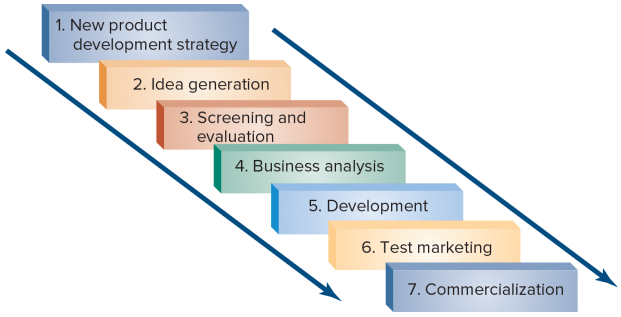
Figure 8-9 Text Alternative (Chapter 8)

Figure 8-9 Steps in the new product development process

Alt Text (Short Description)

A flow chart shows the steps in the new product development process.

Detailed description



Steps in the new product development process. A flow chart with stacked, overlapping rectangles. Two downward pointing arrows line the left and right sides of the rectangles. The boxes are labeled 1. New product development strategy; 2. Idea generation; 3. Screening and evaluation; 4. Business analysis; 5. Development; 6. Test marketing; and 7. Commercialization.

Return to Figure 8-9

Figure 9-4 Text Alternative (Chapter 9)

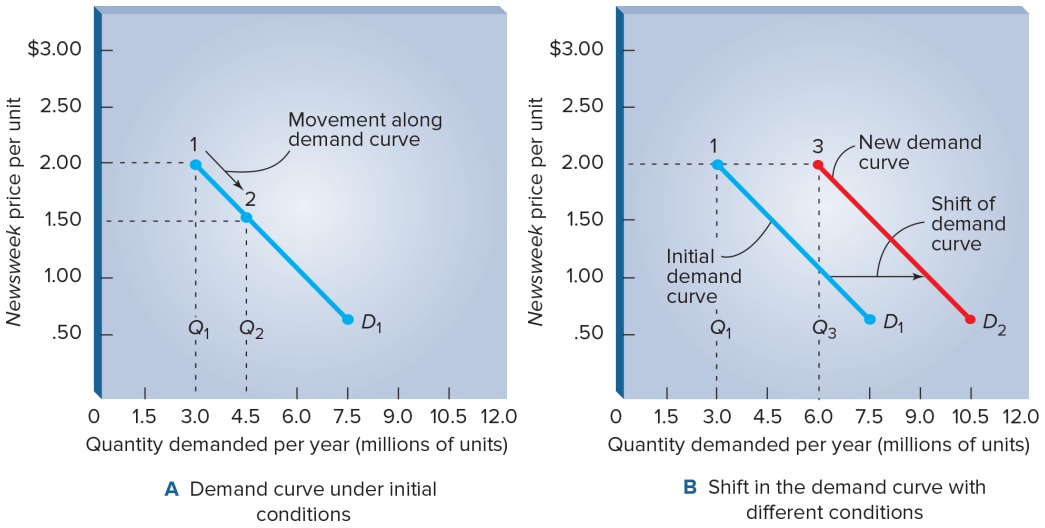
Figure 9-4 Illustrative demand curves for *Newsweek*

Alt Text (Short Description)

(a) A line graph with demand curves for Newsweek plots its price per unit versus quantity demand per year.

(b) A line graph with demand curves for Newsweek plots its price per unit versus quantity demanded per year.

Detailed description



The horizontal axis has Quantity demand per year ranging from 0 to 12.0 millions of units with an increment of 1.5 millions of units. The vertical axis has Newsweek price per unit ranging from 0.50 to 3.00 dollars with an increment of 0.50 dollars. An inclined decreasing line is plotted from (3.0, 2.00) to (7.5, 0. 50). The starting point of the line is met with a horizontal dashed line at 2.00 dollars and with a vertical dashed line at 3.0 representing Q 1. The intersecting point of these two dashed lines on the decreasing line is marked 1. A horizontal dashed line from 1.50 dollars and a vertical dashed line from 4.5 meet at 0.2 on the inclined decreasing line representing Q 2. A downward arrow parallel to the decreasing line is marked between points 1 and 2 indicating the movement along the demand curve. The end point of the inclined decreasing line is marked D 1.

The horizontal axis has quantity demand per year, ranging from 0 to 12.0 millions of units with an increment of 1.5 millions of units. The vertical axis has the newsweek price per unit ranging from 0 to 3.00 dollars with an increment of 0.50 dollars. An inclined decreasing line for the initial demand curve is plotted from (3.0, 2.00) to (7.5, 0.50). Another inclined decreasing line for the new demand curve is plotted from (6.0, 2.00) to (10.5, 0. 50). The starting point of the initial demand curve and the new demand curve connects with a horizontal dashed line at 2.00 dollars and with a vertical dashed line at 3.0 representing the Q 1 for the initial demand curve and at 6.0 for the new demand curve representing the Q 3. The initial and end points of the first line are marked 1 and D 1 respectively while for the new demand curve the initial and end points are marked 3 and D 2, respectively. A right arrow is marked between both curves representing the Shift of demand curve. All data presented are approximate.

Return to Figure 9-4

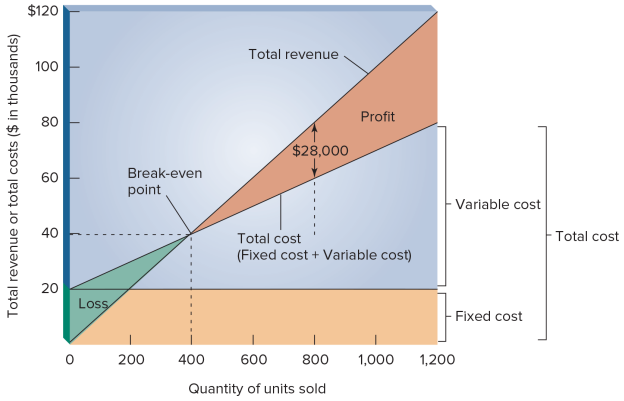
Figure 9-8 Text Alternative (Chapter 9)

Figure 9-8 Break-even analysis for a picture frame store

Alt Text (Short Description)

A graph shows the break-even analysis for a picture frame store.

Detailed description



The vertical axis is labeled Total revenue or total costs ($ in thousands) and ranges from 0 to $120 in increments of 20. The horizontal axis is labeled Quantity of units sold, and ranges from 0 to 1,200 in increments of 200. All data are approximate. A horizontal line spans across the graph at 20 on the vertical axis. An up-and-right diagonal line labeled Total revenue begins at the origin and ends at left-parenthesis, 1200 comma 120, right-parenthesis. A second up-and-right diagonal line labeled Total cost (Fixed cost plus Variable cost) begins at left-parenthesis, 0 comma 20, right-parenthesis and ends at left-parenthesis, 1200 comma 75, right-parenthesis. Where the lines intersect is labeled the Break-even point at left-parenthesis, 400 comma 40, right-parenthesis; a horizontal and vertical dashed line stem from the Break-even point. To the left of the Break-even point, between both diagonal lines, the area is shaded and labeled Loss. To the right of the Break-even point, between both diagonal lines, the area is shaded and labeled Profit. In the Profit area at 800 on the horizontal axis, the gap between both diagonal lines measures at $28,000. From 75 to 20 on the vertical axis, the area is labeled Variable cost. From 20 to 0 on the vertical axis, the area is labeled Fixed cost. From 75 to 0 on the vertical axis, the area is labeled Total cost.

Return to Figure 9-8

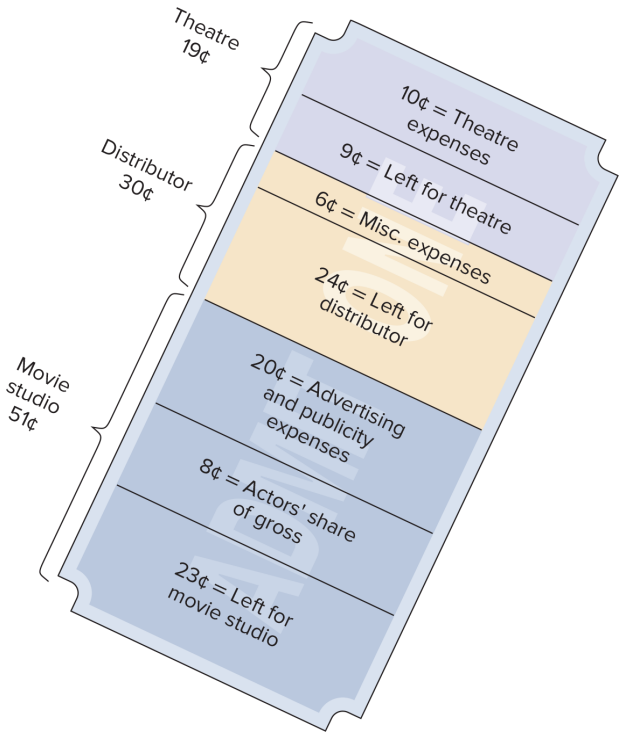
Figure 9-9 Text Alternative (Chapter 9)

Figure 9-9 Where each dollar of your movie ticket goes

Alt Text (Short Description)

An illustration shows where each dollar of your movie ticket goes to.

Detailed description



A photograph of a large Cineplex movie theatre is next to a cutout pattern in the shape of a movie ticket. The movie ticket is segmented into sections of varying size, with each section representing a share of the ticket price, as follows: Theatre: 19 cents 10 cents equals Theatre expenses 9 cents equals Left for theatre Distributor: 30 cents 6 cents equals Misc. expenses 24 cents equals Left for distributor Movie Studio: 51 cents 20 cents equals Advertising and publicity expenses 8 cents equals Actors' share of gross 23 cents equals Left for movie studio

Return to Figure 9-9

Figure 9-11 Text Alternative (Chapter 9)

Figure 9-11 How trade discounts work

Alt Text (Short Description)

An illustration explains how trade discounts work.

Detailed description



The illustration has four components labeled as follows: Component 1 reads Manufacturer's suggested list price, 100.00 dollars. Component 2 reads Retailer cost or wholesaler sales price 70.00 dollars. Component 3 reads Wholesaler cost or jobber sales price 63.00 dollars. Component 4 reads Jobber cost or manufacturer's sale price 59.85 dollars. Between components 1 and 2 there is the text minus 30.00 dollars. Between components 2 and 3, the text reads, minus 7.00 dollars. Between components 3 and 4 the text reads, minus 3.15 dollars. There are 3 rectangular components below these 4 components and are labeled as follows: Retail discount: 30 percent of manufacturer's suggested price. An upward arrow above this component points to minus 30.00 dollars. The second component reads Wholesaler's discount: 10 percent of wholesaler sales price. An upward arrow from this component points to minus 7.00 dollars. The third component reads Jobber discount: 5 percent of jobber sales price. An upward arrow from this component points to minus 3.15 dollars.

Return to Figure 9-11

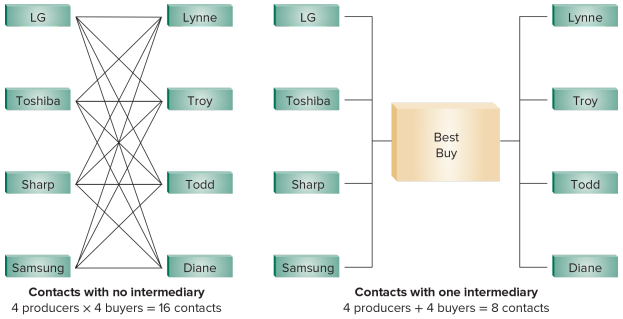
Figure 10-2 Text Alternative (Chapter 10)

Figure 10-2 How intermediaries minimize transactions

Alt Text (Short Description)

A flow chart shows how intermediaries minimize transactions.

Detailed description



Two charts are labeled Contract with no intermediary (4 producers multiplied by 4 buyers equals 16 contacts), and Contacts with one intermediary (4 producers plus 4 buyers equals 8 contacts). The first chart contains two columns of four contacts: producers on the left, buyers on the right. The producers are, from top to bottom, LG, Toshiba, Sharp, and Samsung. The buyers are, from top to bottom, Lynne, Troy, Todd, and Diane. Each box on the left is connected by a line to each box on the right, and vice versa. The second chart contains two columns of four contacts: producers on the left, buyers on the right. The producers are, from top to bottom, LG, Toshiba, Sharp, and Samsung. The buyers are, from top to bottom, Lynne, Troy, Todd, and Diane. A middle box between both columns is labeled Best Buy. Each of the distributors on the left connect once to the middle box; each of the buyers on the right connect once to the middle box.

Return to Figure 10-2

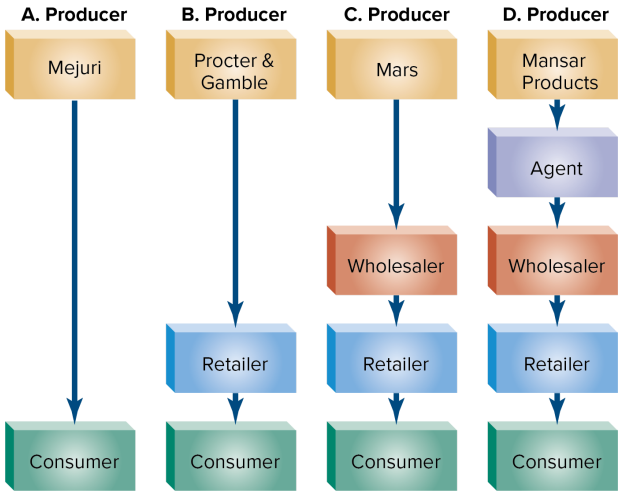
Figure 10-4 Text Alternative (Chapter 10)

Figure 10-4 Common marketing channels for consumer goods and services

Alt Text (Short Description)

A flow chart shows common marketing channels for consumer goods and services.

Detailed description



The flow chart shows the following: A. Producer: M and M Food Market to Consumer. B. Producer: Procter and Gamble to Retailer to Consumer. C. Producer: Mars to Wholesaler to Retailer to Consumer. D. Producer: Mansar Products to Agent to Wholesaler to Retailer to Consumer.

Return to Figure 10-4

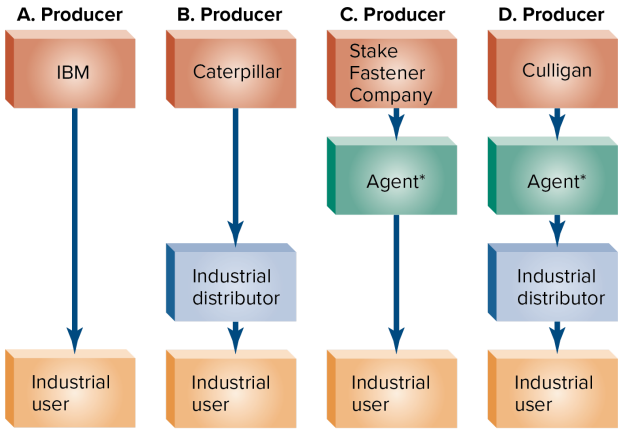
Figure 10-5 Text Alternative (Chapter 10)

Figure 10-5 Common marketing channels for business goods and service

Alt Text (Short Description)

A flow chart shows common marketing channels for business goods and service.

Detailed description



The illustration shows the following: Four columns of Producers detailing the steps in each example's marketing channel, as follows: Producer (IBM) to Industrial user. B. Producer (Caterpillar) to Industrial distributor to Industrial user. C. Producer (Stake Fastener Company) to Agent to Industrial user. D. Producer (Culligan) to Agent to Industrial distributor to Industrial user.

Return to Figure 10-5

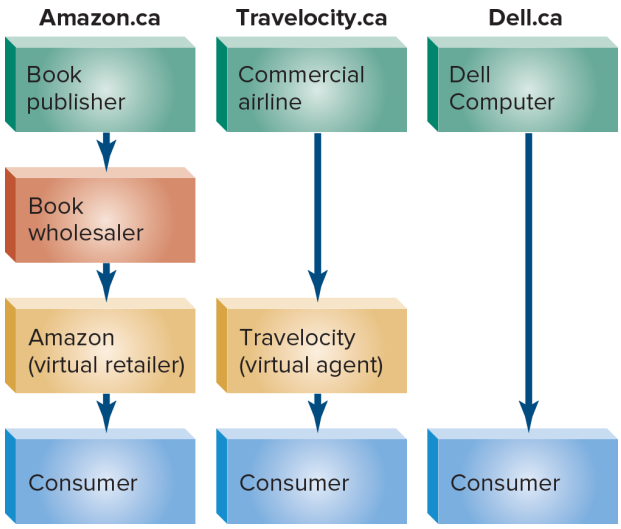
Figure 10-6 Text Alternative (Chapter 10)

Figure 10-6 Examples of electronic marketing channels

Alt Text (Short Description)

A flow chart show examples of electronic marketing channels.

Detailed description



The flow chart shows the following: Three columns of Producers detailing the steps in each example's marketing channel, as follows: A m a z o n dot c a: Book publisher to Book wholesaler to Amazon (virtual retailer) to Consumer. T r a v e l o c i t y dot c a: Commercial airline to Travelocity (virtual agent) to Consumer. D e l l dot c a: Dell Computer to Consumer.

Return to Figure 10-6

Figure 10-7 Text Alternative (Chapter 10)

Figure 10-7 Channels of distribution in global marketing

Alt Text (Short Description)

A flow chart shows the channels of distribution in global marketing.

Detailed description



Five boxes in a row, each with an arrow pointing to the next, are labeled Seller, Seller's international marketing headquarters, Channels between nations, Channels with foreign nations, and Final consumer.

Return to Figure 10-7

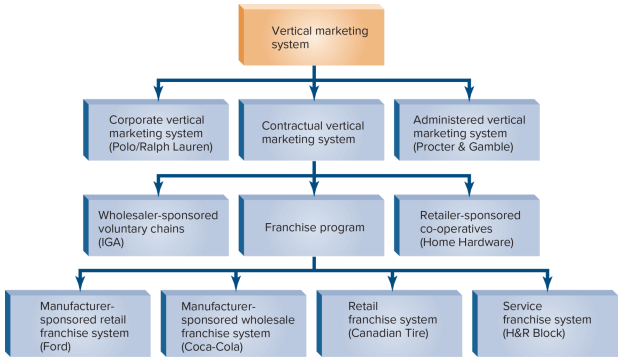
Figure 10-8 Text Alternative (Chapter 10)

Figure 10-8 Types of vertical marketing systems

Alt Text (Short Description)

A flow chart shows the types of vertical marketing systems.

Detailed description



Types of vertical marketing systems. A structure of boxes, with one at the top, three each for the next two rows, and four in the last row. Arrows lead each box to the next box below. Boxes are labeled, from top to bottom, as follows: 1st row: Vertical marketing system, 2nd row: Corporate vertical marketing system (Polo/Ralph Lauren), Contractual vertical marketing system, Administered vertical marketing system (Proctor & Gamble); 3rd row: Wholesaler-sponsored voluntary chains (IGA), Franchise program, Retailer-sponsored cooperatives (Home Hardware); 4th row: Manufacturer-sponsored retail franchise system (Ford), Manufacturer-sponsored wholesale franchise system (Coca-Cola), Retail franchise system (Canadian Tire), Service franchise system (H and R Block).

Return to Figure 10-8

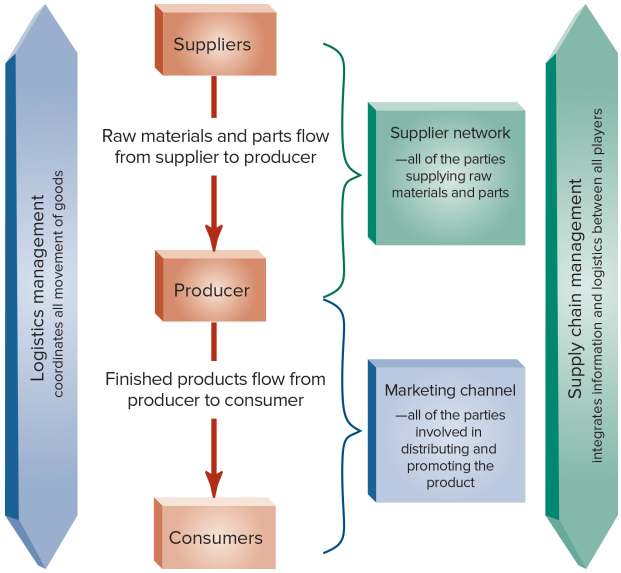
Figure 10-9 Text Alternative (Chapter 10)

Figure 10-9 How distribution channels work: the relationships between supplier networks, marketing channels, logistics management, and supply chain management

Alt Text (Short Description)

A flow chart shows how distribution channels work.

Detailed description



How distribution channels work: the relationships between supplier networks, marketing channels, logistics management, and supply chain management. A vertical bar to the left is labeled Logistics management: coordinates all movement of goods. To the right is a column of three labeled boxes with labeled arrows from the top leading down. Suppliers: Arrow down labeled: Raw materials and parts flow from supplier to producer. Producer: Arrow down labeled: Finished products flow from producer to consumer. Consumers. To the right of the three boxes are two vertical brackets. The top bracket encompasses the top and middle boxes; the bottom bracket encompasses the middle and bottom boxes. The top bracket leads to a box labeled Supplier network (all of the parties supplying raw materials and parts). The bottom bracket leads to a box labeled Marketing channel (all of the parties involved in distributing and promoting the product). A vertical bar to the right is labeled Supply chain management: integrates information and logistics between all players.

Return to Figure 10-9

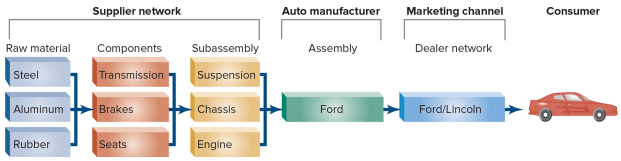
Figure 10-10 Text Alternative (Chapter 10)

Figure 10-10 The automotive supply chain

Alt Text (Short Description)

A flow chart shows the automotive supply chain.

Detailed description



The automotive supply chain. Members of the supply chain with brackets encompassing the segments and sub-segments, and arrows leading from left to right between the sub-segments. Name of first member in the chain: Supplier network: Segments and sub-segments: Raw material: Steel: Aluminum, Rubber. Components: Transmission, Brakes, Seats. Subassembly: Suspension, Chassis, Engine. Name of second member in the chain: Auto manufacturer: Segment and sub-segment: Assembly: Ford. Name of third member in the chain: Marketing channel: Segment and sub-segment: Dealer network: Ford/Lincoln. Name of final member: Consumer: (image of a Car).

Return to Figure 10-10

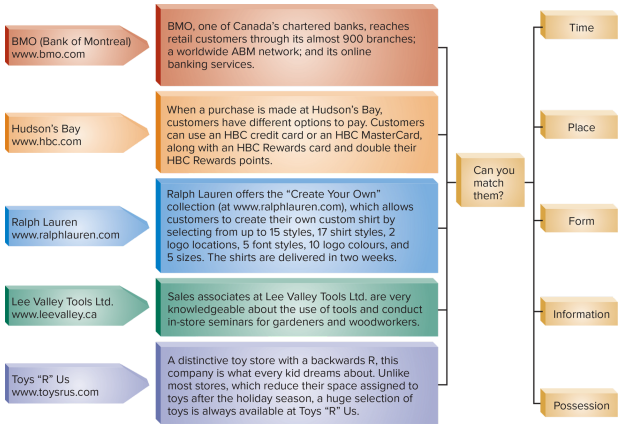
Figure 11-1 Text Alternative (Chapter 11)

Figure 11-1 Which company best represents which utilities?

Alt Text (Short Description)

An illustration shows which company best represents which utilities.

Detailed description



The illustration shows the following: Which company best represents which utilities? BMO (Bank of Montreal) w w w dot b m o dot c o m: B M O, one of Canada's chartered banks, reaches retail customers through its almost 900 branches; a worldwide ABM network; and its online banking services. Hudson's Bay www.hbc.com When a purchase is made at Hudson's Bay, customers have different options to pay. Customers can use an HBC credit card or an HBC MasterCard, along with an HBC Rewards card and double their HBC Rewards points. Ralph Lauren, w w w dot r a l p h l a u r e n dot c o m: Ralph Lauren offers the "Create Your Own" collection (at w w w dot r a l p h l a u r e n dot c o m), which allows customers to create their own custom shirt by selecting from up to 15 styles, 17 shirt styles, 2 logo locations, 5 font styles, 10 logo colours, and 5 sizes. The shirts are delivered in two weeks. Lee Valley Tools Ltd. w w w dot l e e v a l l e y dot c a: Sales associates at Lee Valley Tools Ltd. are very knowledgeable about the use of tools and conduct in-store seminars for gardeners and woodworkers. Toys "R" Us w w w dot t o y s r u s dot c o m: A distinctive toy store with a backwards R, this company is what every kid dreams about. Unlike most stores, which reduce their space assigned to toys after the holiday season, a huge selection of toys is always available at Toys "R" Us. Each company leads to a box labeled Can you match them?,

leading to boxes to the far right labeled, from top to bottom, Time, Place, Form, Information, and Possession.

Return to Figure 11-1

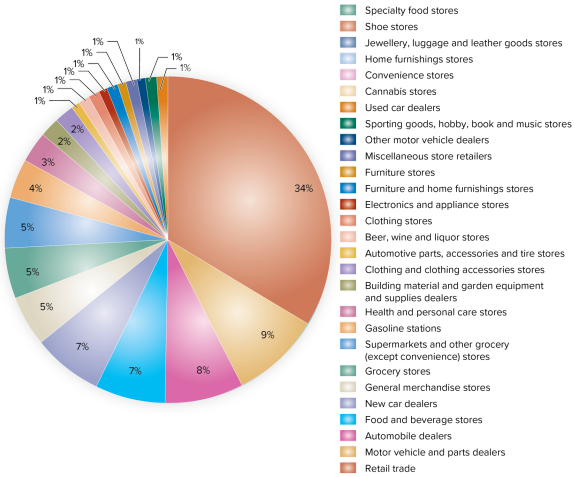
Figure 11-2 Text Alternative (Chapter 11)

Figure 11-2 Retail sales for 2021 in Canada by industry*

Alt Text (Short Description)

A pie chart for the retail sales for 2021 in Canada by industry.

Detailed description



The data in the pie chart given in percentages are as follows. Specialty food stores, 1; shoe stores, 34; jewelry, luggage, and leather goods stores, 1; home furnishings stores, 1; convenience stores, 8; cannabis stores, 9; used car dealers, 1; sporting goods, hobby, book, and music stores, 1; other motor vehicle dealers, 1; miscellaneous store retailers, 5; furniture stores, 4; furniture and home furnishings stores, 7; electronics and appliance stores, 1; clothing stores, 1; beer, wine, and liquor stores, 1; automotive parts, accessories and tire stores, 1; clothing and clothing accessories stores, 2; building material and garden equipment and supplies dealers, 2; health and personal care stores, 8; gasoline stations, 1; supermarkets and other grocery except convenience stores, 1; grocery stores, 5; general merchandise stores, 5; new car dealers, 7; food and beverage stores, 7; automobile dealers, 8; motor vehicle and parts dealers, 9; and retail trade, 1.

Return to Figure 11-2

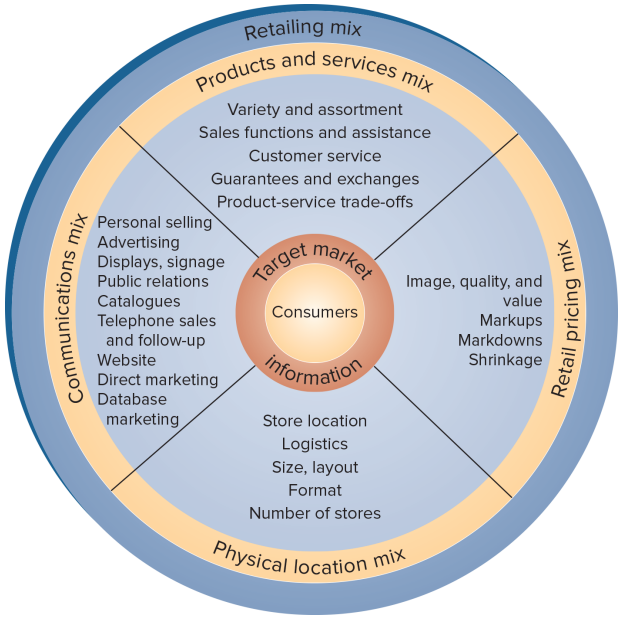
Figure 11-4 Text Alternative (Chapter 11)

Figure 11-4 The retailing mix

Alt Text (Short Description)

An illustration explains about the retailing mix.

Detailed description



Four concentric rings around a central circle. The outermost ring labeled Retailing mix. The next two rings are segmented in quarters; the segments do not extend to the innermost two rings, nor the outermost ring. The segments are labeled as follows: Products and services mix: Variety and assortment, Sales functions and assistance, Customer service, Guarantees and exchanges, Product-service trade-offs; Retail pricing mix: Image, quality, and value, Markups, Markdowns, Shrinkage; Physical location mix: Store location, Logistics, Size, layout, Format, Number of stores; Communications mix: Personal selling, Advertising, Displays, signage, Public relations, Catalogues, Telephone sales and follow-up, Website, Direct marketing, Database marketing. The next ring is labeled Target market information. The central circle is labeled Consumers.

Return to Figure 11-4

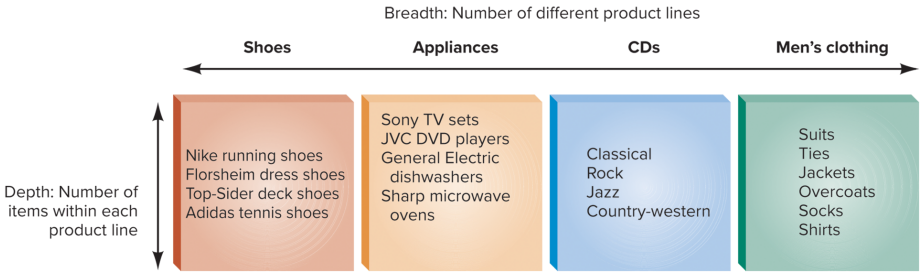
Figure 11-5 Text Alternative (Chapter 11)

Figure 11-5 Breadth versus depth of merchandise lines

Alt Text (Short Description)

An illustration has breadth versus depth of merchandise lines.

Detailed description



The graphic organizes data by breadth: number of different product lines, left to right, and by depth: number of items within each product line, top to bottom. Data is formatted as a list, first by Breadth then by Depth. Shoes: Nike running shoes. Florsheim dress shoes. Top-Sider deck shoes. Adidas tennis shoes. Appliances: Sony TV sets. JVC DVD players. General Electric dishwashers. Sharp microwave ovens. CDs: Classical. Rock. Jazz. Country-western. Men's clothing: Suits. Ties. Jackets. Overcoats. Socks. Shirts.

Return to Figure 11-5

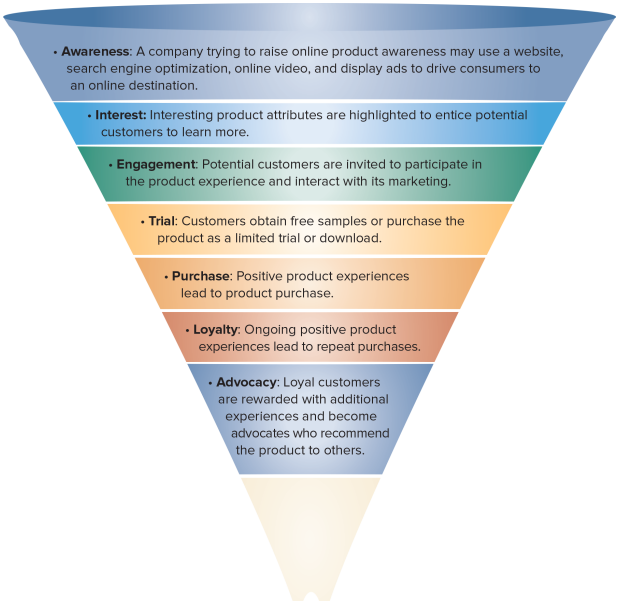
Figure 12-1 Text Alternative (Chapter 12)

Figure 12-1 The Customer Advocacy Funnel

Alt Text (Short Description)

An illustration shows the customer advocacy funnel.

Detailed description



The illustration shows a funnel with seven layers and the following text within them from top to bottom: 1. Awareness: A company trying to raise online product awareness may use a website, search engine optimization, online video, and display ads to drive consumers to an online destination. 2. Interest: Interesting product attributes are highlighted to entice potential customers to learn more. 3. Engagement: Potential customers are invited to participate in the product experience and interact with its marketing. 4. Trial: Customers obtain free samples or purchase the product as a limited trial or download. 5. Purchase: Positive product experiences lead to product purchase. 6. Loyalty: Ongoing positive product experiences lead to repeat purchases. 7. Advocacy: Loyal customers are rewarded with additional experiences and become advocates who recommend the product to others.

Return to Figure 12-1

Figure 12-2 Text Alternative (Chapter 12)

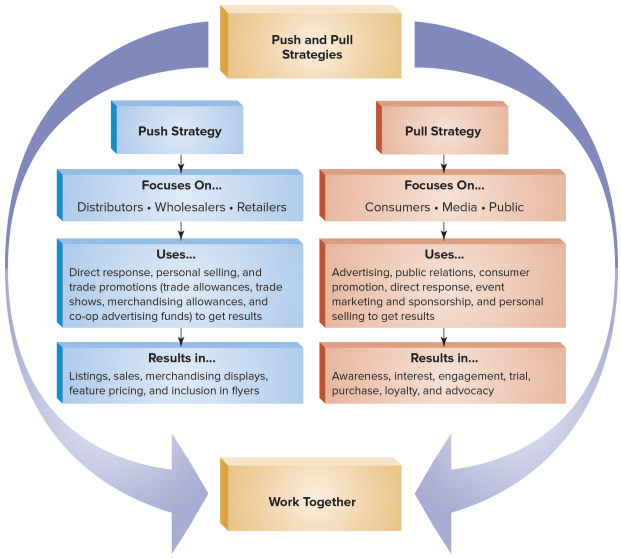
Figure 12-2 Push and pull communication strategies

Push and pull strategies need to work together.

Alt Text (Short Description)

A flow chart of the push and pull strategies.

Detailed description



A block at the top is labeled push and pull strategies connected with 2 curved arrows to a block at the bottom labeled work together. Between these blocks are 2 flow diagrams for the push and pull strategies, on the left and right, respectively. The push strategy contains 3 blocks from top to bottom as follows: Focuses on: distributors, wholesalers, and retailers; Uses: Direct response, personal selling, and trade promotions trade allowances, trade shows, merchandising allowances, and co-op advertising funds to get results; and Results in: Listings, sales, merchandising displays, feature pricing, and inclusion in flyers. The pull strategy contains 3 blocks from top to bottom as follows: Focuses on: consumers, media, and public; Uses: Advertising, public relations, consumer promotion, direct response, event marketing and sponsorship, and personal selling to get results; and Results in: Awareness, interest, engagement, trial, purchase, loyalty, and advocacy.

Return to Figure 12-2

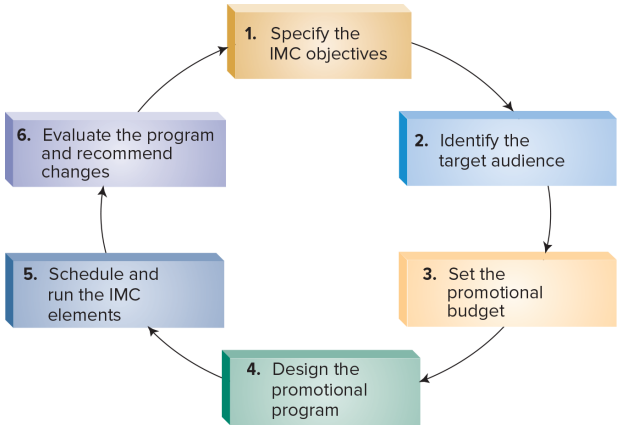
Figure 12-3 Text Alternative (Chapter 12)

Figure 12-3 Steps in the marketing communications process

Alt Text (Short Description)

A cyclic flow chart shows the steps in the marketing communications process.

Detailed description



There are six blocks connected via arrows in a clockwise manner. The blocks are labeled as follows: 1. Specify the I M C objectives; 2. Identify the target audience; 3. Set the promotional budget; 4. Design the promotional program; 5. Schedule and run the I M C elements; and 6. Evaluate the program and recommend changes.

Return to Figure 12-3

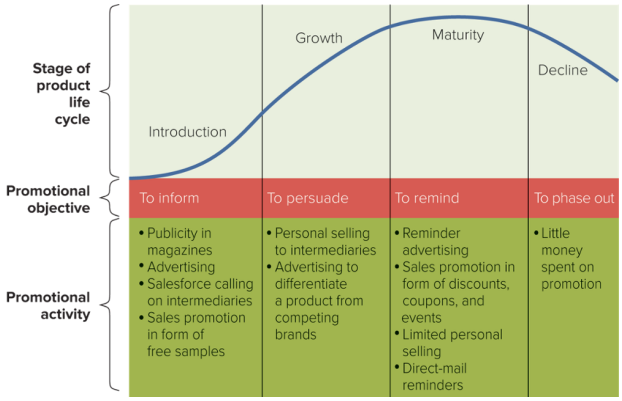
Figure 12-4 Text Alternative (Chapter 12)

Figure 12-4 Product life cycle considerations for promotional programs

Alt Text (Short Description)

An illustration shows a product life cycle considerations for promotional programs.

Detailed description



The illustration shows three layers from top to bottom reading as follows: Stage of product life cycle, Promotional objective, and Promotional activity. A curve corresponding to the stage of product life cycle is at the bottom in the Introduction phase, goes up during growth phase, reaches the peak in the maturity phase, and starts to go down in the decline phase. The corresponding text in the other two layers are as follows: Stage of product life cycle: Introduction; Promotional objecting: To inform; Promotional activity: Publicity in magazines, Advertising Salesforce calling on intermediaries, and Sales promotion in form of free samples; Stage of product life cycle: Growth; Promotional objective: To persuade; Promotional Activity: Personal selling to intermediaries, Advertising to differentiate a product from competing brands; Stage of product life cycle: Maturity; Promotional Activity: To remind; Promotional activity: Reminder advertising, Sales promotion in form of discounts, coupons, and events, Limited personal selling, Direct-mail reminders; Stage of product life cycle: Decline; Promotional objective: To phase out; Promotional activity: Little money spent on promotion.

Return to Figure 12-4

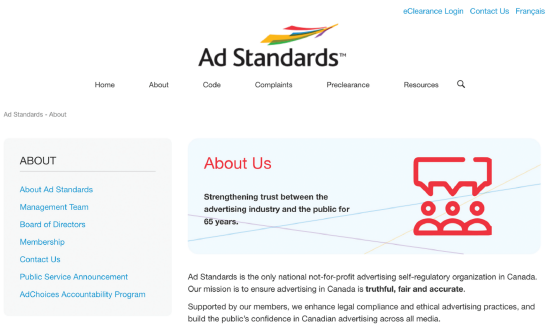
Advertising Standards Canada Graphic Text Alternative (Chapter 12)

This Ad Standards ad encourages truthful communications.

Alt Text (Short Description)

A screenshot of the Ad standards page with 7 tabs below the title.

Detailed description



The tabs are for home, about, code, complaints, preclearance, resources, and a search icon. The page displays details for ad standards "About." The main page has 2 panels. The left panel shows About and the options are as follows: About Ad standards, Management team, Board of Directors, Membership, Contact us, Public service announcement, and Ad choices accountability program. The right panel shows an icon of 3 humans with a speech bubble above them and the text on the page reads as follows: About Us: Strengthening trust between the advertising industry and the public for 65 years. The text below reads, Ad Standards is the only national not-for-profit advertising self-regulatory organization in Canada. Our mission is to ensure advertising in Canada is truthful, fair, and accurate. Supported by our members, we enhance legal compliance and ethical advertising practices, and build the public's confidence in Canadian advertising across all media.

Return to Advertising Standards Canada Graphic

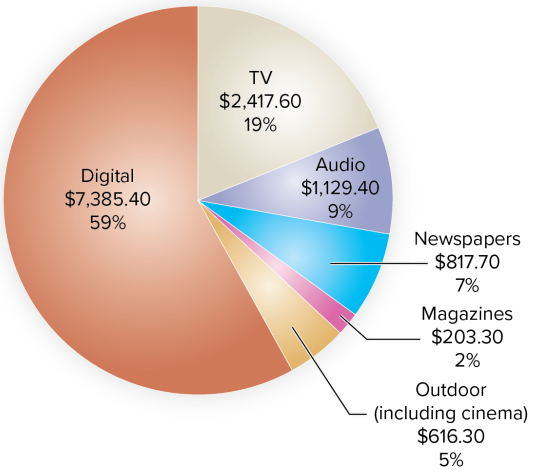
Figure 13-3 Text Alternative (Chapter 13)

Figure 13-3 Projected advertising revenue in Canada in 2023 ($millions)

Alt Text (Short Description)

A pie chart for the projected advertising revenue in Canada in 2023 in millions of dollars.

Detailed description



The data in the pie chart from highest to lowest are as follows. Digital: 7,385.40 dollars and 59 percent; Television: 2417.60 dollars and 19 percent; Audio: 1129.40 dollars and 9 percent; Newspapers: 817.70 dollars and 7 percent; Magazines: 203.30 dollars and 2 percent; and Outdoor including cinema: 616.30 dollars and 5 percent.

Return to Figure 13-3

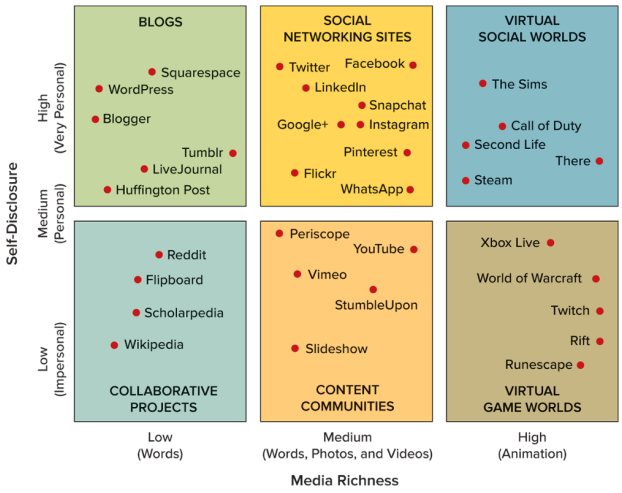
Figure 13-8 Text Alternative (Chapter 13)

Figure 13-8 A sample of social media, classified by media richness and self-disclosure. Note that in moving from words to photos, videos, and animation, media richness increases. Also, in moving from very impersonal messages to highly personal ones, self-disclosure increases.

Alt Text (Short Description)

An illustration shows a sample of social media, classified by media richness and self-disclosure.

Detailed description



The illustration shows six boxes across two rows labeled as follows: Row 1: Blogs, Social Networking Sites, Virtual Social Worlds; Row 2: Collaborative Projects, Content Communities, and Virtual Game World. The left side has the Self-Disclosure and the following text from top to bottom: High (Very Personal), Medium (Personal), and Low (Impersonal). The text below the six boxes reads as follows: Low (words), Medium (Words, Photos, and Videos), and High (Animation.) The data are as follows: Blogs: Squarespaces, Word Press, Blogger, Tumblr, Live Journal, Huffington Post; Social Networking Sites: Facebook, Twitter, LinkedIn, Snapchat, Google plus, Instagram, Pinterest, Flickr, and WhatsApp; Virtual Social Worlds: The Sims, Call of Duty, Second Life, There, and Steam; Collaborative Projects: Reddit, Flipboard, Scholarpedia, Wikipedia; Content Communities: Periscope, YouTube, Vimeo, StumbleUpon, Slideshow; and Virtual Game Worlds: Xbox Live, World of Warcraft, Twitch, Rift, and RuneScape.

Return to Figure 13-8

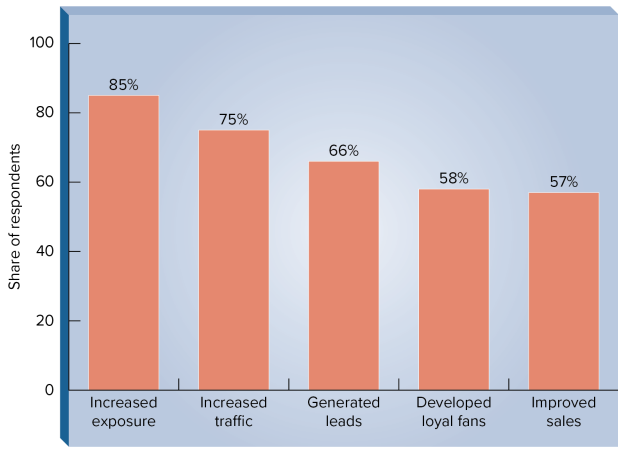
Figure 13-9 Text Alternative (Chapter 13)

Figure 13-9 Benefits of social media marketing 2022

Alt Text (Short Description)

A bar chart plots share of respondents versus the factors for benefits of social media marketing 2022.

Detailed description



The horizontal axis has the different factors, and the vertical axis denotes the share of respondents ranging from 0 to 100 with an increment of 20. The bars are plotted for increased exposure ranging till 85 percent, increased traffic ranging till 75 percent, generated leads ranging till 66 percent, developed loyal fans ranging till 58 percent, and improved sales ranging till 57 percent.

Return to Figure 13-9

Ford believes in social media Text Alternative (Chapter 14)

Ford used social media to promote its Fiesta subcompact car.

Alt Text (Short Description)

A photograph of a new Ford Fiesta subcompact automobile on the floor of a convention center.

Detailed description



In the background, a screen displays the Ford logo and the message: go further.

Return to Ford believes in social media Graphic

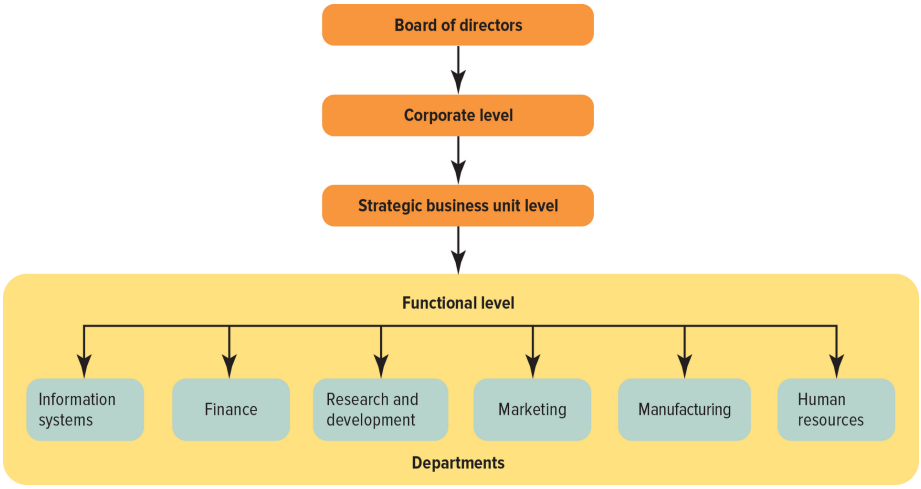
Figure 15-1 Text Alternative (Chapter 15)

Figure 15-1 The three levels of strategy in organizations: corporate, business unit, and functional

Alt Text (Short Description)

A flow chart shows the three levels of strategy in organizations: corporate, business unit, and functional.

Detailed description



The flow chart that shows three boxes in a column above a larger box. Each of the upper three boxes in the column have an arrow leading down to the next, and are labeled Board of directors, Corporate level, and Strategic business unit level. The large box below is labeled Functional level and contains a set of arrows pointing to six smaller boxes in a row. The six boxes in a row contain the names of Departments, as follows: Information systems, Finance, Research and development, Marketing, Manufacturing, and Human Resources.

Return to Figure 15-1

Figure 15-2 Text Alternative (Chapter 15)

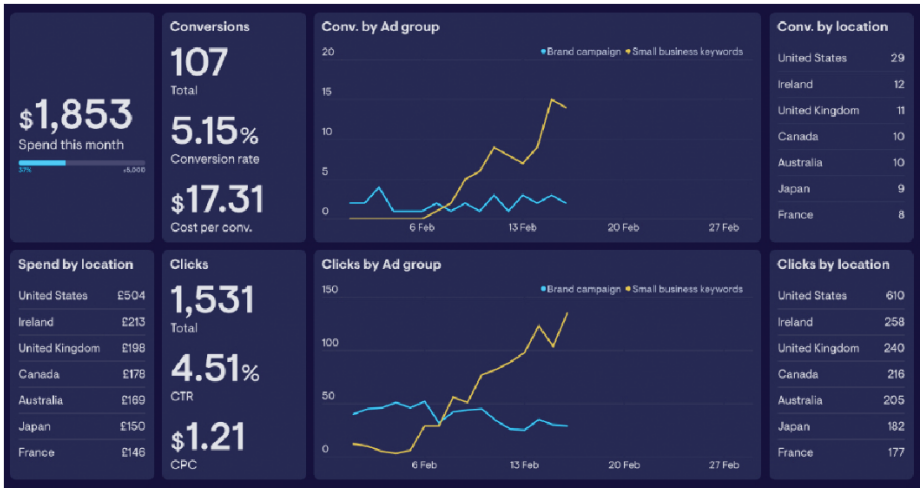
Figure 15-2 Example of a marketing dashboard

An effective dashboard, like the one below, helps marketing managers assess ad performance at a glance.

Alt Text (Short Description)

A marketing dashboard with data and graphs.

Detailed description



The dashboard has data on the left, two line graphs in the middle, and some more textual data on the right. It lists information like total conversions, conversion rate, cost per conversion on the top left, Clicks, total, C T R, and C P C values on the bottom left. The spend by location data based on different countries are listed on the bottom left. Conversion and Clicks based on location data are presented on the right.

Return to Figure 15-2

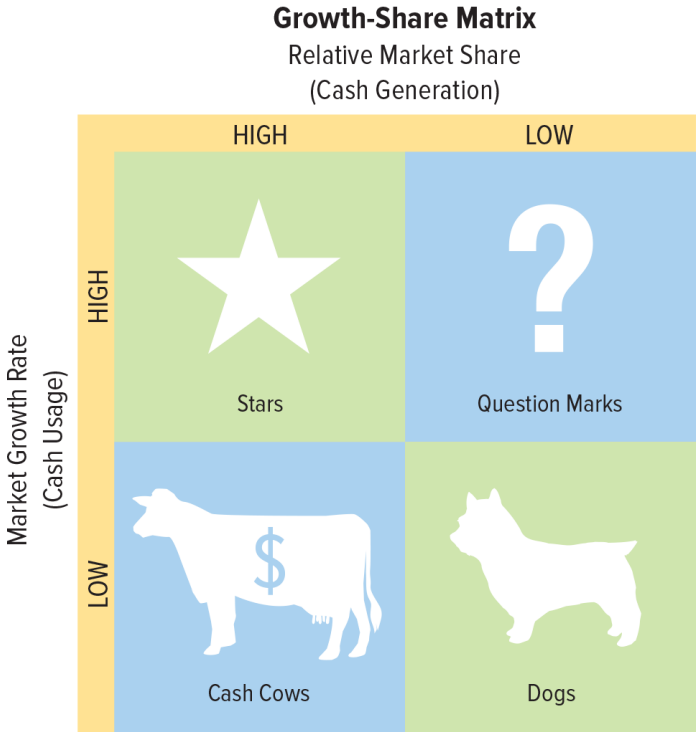
Figure 15-3 Text Alternative (Chapter 15)

Figure 15-3 Boston Consulting Group’s growth-share matrix for a strong, diversified firm showing some strategic plans

Alt Text (Short Description)

An illustration shows Boston Consulting Group's growth-share matrix.

Detailed description



Boston Consulting Group’s growth-share matrix for a strong, diversified firm showing some strategic plans. Growth-Share Matrix. The vertical axis is titled Market Growth Rate (Cash Usage) and has a top half labeled High and a bottom half labeled Low. The horizontal axis is titled Relative Market Share (Cash Generation) and has a left half labeled High and a right half labeled Low. The boxes in the matrix are as follows (horizontal, vertical): High, High: Stars Low, High: Question Marks Low, Low: Dogs High, Low: Cash Cows

Return to Figure 15-3

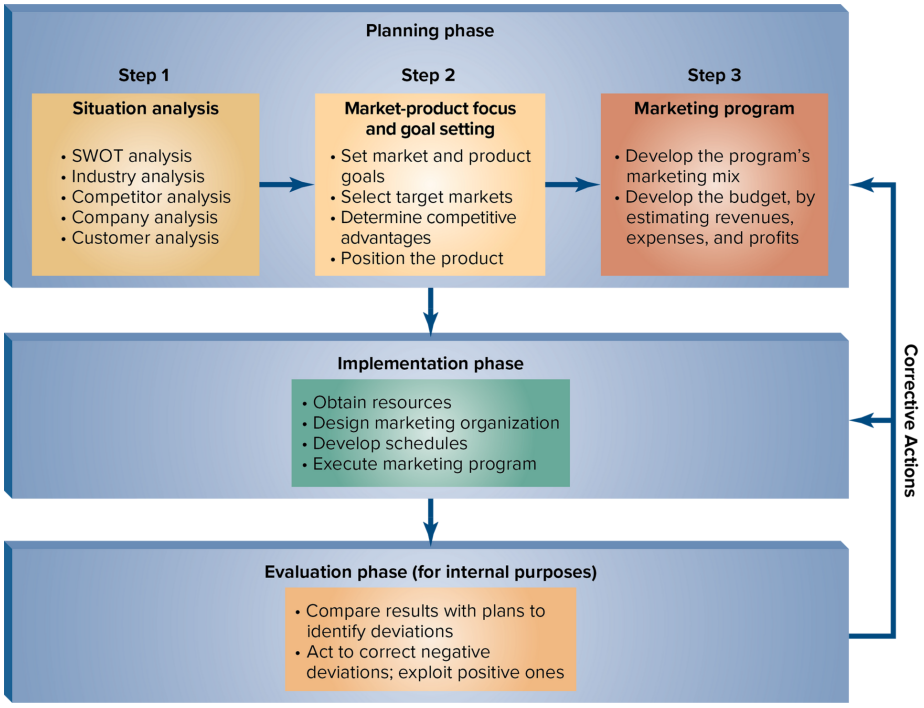
Figure 15-5 Text Alternative (Chapter 15)

Figure 15-5 Outline of a marketing plan

Alt Text (Short Description)

A flow chart shows the outline of a marketing plan.

Detailed description



Three large boxes, all labeled Corrective Actions contain three phases of a marketing plan: a Planning phase, an Implementation phase, and an Evaluation phase (for internal purposes). Planning phase box (contains three smaller boxes in a row, with arrows pointing from each to the next, as follows): Step 1: Situation analysis: SWOT analysis, Industry analysis, Competitor analysis, Company analysis, Customer analysis; Step 2: Market-product focus and goal setting: Set market and product goals, Select target markets, Determine competitive advantages, Position the product; Step 3: Marketing program: Develop the program's marketing mix, Develop the budget, by estimating revenues expenses, and profits; Implementation phase box: Obtain resources, Design marketing organization, Develop schedules, Execute marketing program; Evaluation phase box (for internal purposes):

Compare results with plans to identify deviations, and Act to correct negative deviations; exploit positive ones

Return to Figure 15-5

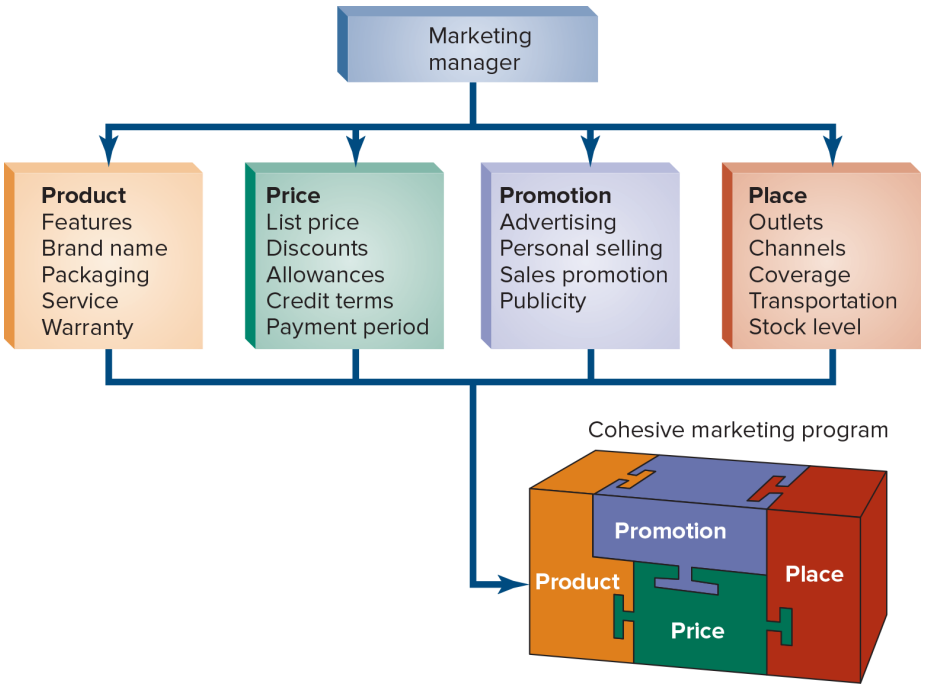
Figure 15-7 Text Alternative (Chapter 15)

Figure 15-7 Elements of the marketing mix that comprise a cohesive marketing program

Alt Text (Short Description)

A flowchart shows the elements of the marketing mix that comprise a cohesive marketing program.

Detailed description



The flow chart with a box on the top labeled Marketing manager. Four arrows lead down from it to four boxes, labeled as follows: Product: Features, Brand name, Packaging, Service, and Warranty; Price: List price, Discounts, Allowances, Credit terms, Payment period; Promotion: Advertising, Personal selling, Sales promotion, Publicity; Place: Outlets, Channels, Coverage, Transportation, Stock level. Arrows lead from all four boxes, converging to point at a 3D block made up of four interlocking puzzle-pieces. The block is labeled Cohesive marketing program, and its pieces are labeled Product, Price, Promotion, and Place.

Return to Figure 15-7

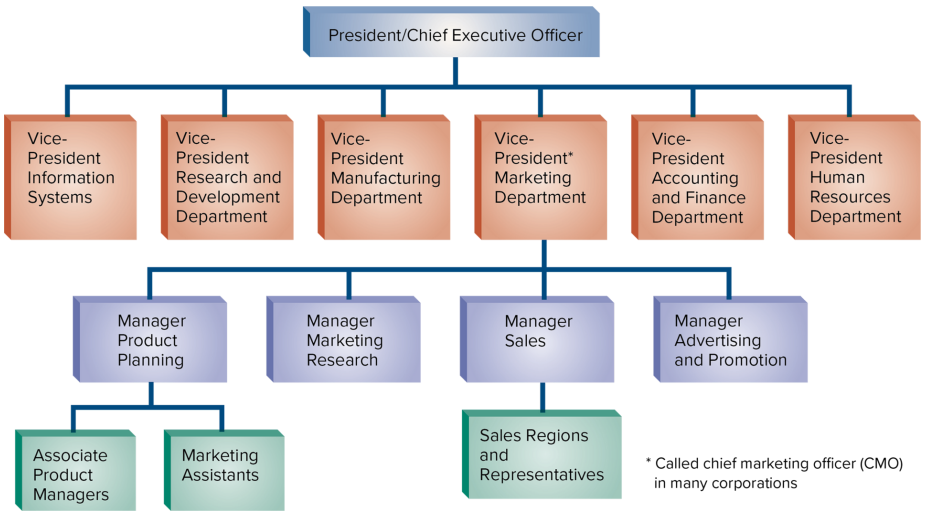
Figure 15-8 Text Alternative (Chapter 15)

Figure 15-8 Organization of a typical manufacturing firm, showing a breakdown of the marketing department

Alt Text (Short Description)

A flow chart shows an organization of a typical manufacturing firm.

Detailed description



Organization of a typical manufacturing firm, showing a breakdown of the marketing department. A box at the top is labeled President/Chief Executive Officer. Arrows point from it to each of six boxes below, labeled as follows: Vice President Information Systems, Vice President Research and Development Department, Vice President Manufacturing Department, Vice President* Marketing Department, Vice President Accounting and Finance Department, Vice President Human Resources Department. From the Vice President Marketing Department box, arrows point to four more boxes, and two of those boxes then point to other boxes, as follows: Manager Product Planning: Associate Product Managers, Marketing Assistants; Manager Marketing Research, Manager Sales: Sales Regions and Representatives, Manager Advertising and Promotion. * Called chief marketing officer (C M O) in many corporations

Return to Figure 15-8

Placeholder text paragraph

Table of Contents

1. Table of Contents and Preface
    1. Cover Page
    2. Title Page
    3. Copyright Information
    4. Author Profiles
    5. Brief Contents
    6. Contents
    7. Preface
        1. Text Organization and Content
        2. What's New? Marketing: The Core
        3. Chapter-Specific Additions
        4. Reflecting the Diverse World Around Us
    8. A Student's Guide to Marketing: The Core
    9. Award-Winning Technology
        1. Instructor Resources
        2. ReadAnywhere App
        3. Polling
        4. Remote Proctoring & Browser-Locking Capabilities
    10. Connect
    11. Acknowledgements
2. Chapter 1: Marketing Fundamentals
    1. Chapter 1 Introduction
        1. Chapter 1Marketing Fundamentals
    2. What Is Marketing?
        1. Marketing and Your Career
    3. The Role of Marketing
        1. Focusing on Consumer Needs and Wants
        2. Creating Customer Value
        3. Appealing to Target Markets
        4. Coordinating the Marketing Mix
    4. The Marketing Process
        1. What Can Be Marketed?
        2. What Is a Market?
    5. The Evolution of Business Philosophies
    6. New and Evolving Marketing Practices
        1. Digital Marketing
        2. Augmented Reality
        3. Experiential Marketing

        4. Influencer Marketing
        5. Partnership Marketing
        6. Metrics and Analytics
        7. Marketing Regulations and Ethical Considerations
    7. Marketing Careers
    8. Summary…just the facts
    9. Key Terms and Concepts…a refresher
    10. Hands-on…apply your knowledge
    11. Chapter Vignette…activity
    12. Marketing You
3. Chapter 2: The Marketing Environment
    1. Chapter 2 Introduction
    2. The Marketing Environment
        1. Situation (SWOT) Analysis
    3. An Environmental Scan
        1. Social Forces
        2. Economic Forces
        3. Technological Forces
        4. Competitive Forces
        5. Regulatory Forces
    4. Steps in an Environmental Scan
    5. Summary…just the facts
    6. Key Terms and Concepts…a refresher
    7. Hands-on…apply your knowledge
    8. Chapter Vignette…activity
    9. Marketing You
4. Chapter 3: Customer Behaviour
    1. Chapter 3 Introduction
        1. Chapter 3 Customer Behaviour
    2. Customer Purchase Decision Process
        1. Problem Recognition: Perceiving a Need
        2. Information Search: Seeking Value
        3. Evaluation of Alternatives: Assessing Value
        4. Purchase Decision: Buying Value
        5. Post-purchase Behaviour: Value in Consumption or Use
        6. Involvement and Problem-Solving Variations
        7. Customer Purchase Decision Process Influencers
    3. Situational Influences on Customer Decisions
    4. Psychological Influences on Customer Behaviour
        1. Motivation and Personality
        2. Perception
        3. Learning
        4. Values, Beliefs, and Attitudes

        5. Lifestyle
    5. Socio-cultural Influences on Customer Behaviour
        1. Personal Influence
        2. Reference Groups
        3. Family Influence
        4. Culture and Subculture
        5. Global Cultural Diversity
    6. Summary…just the facts
    7. Key Terms and Concepts…a refresher
    8. Hands-on…apply your knowledge
    9. Chapter Vignette…activity
    10. Marketing You
5. Chapter 4: Market Research
    1. Chapter 4 Introduction
    2. The Role of Marketing Research
        1. What Is Marketing Research?
        2. The Challenges in Doing Good Marketing Research
        3. The Five-Step Market Research Approach
    3. Step 1: Define the Problem/Issue/Opportunity
        1. Set the Research Objectives
        2. Identify Possible Marketing Actions
    4. Step 2: Develop the Research Plan
        1. Specify Constraints
        2. Identify Data Needed for Marketing Actions
        3. Determine How to Collect Data
    5. Step 3: Collect Relevant Information
        1. Secondary Data
        2. Advantages and Disadvantages of Secondary Data
        3. Primary Data: Watching People
        4. Primary Data: Asking People
        5. Primary Data: Other Sources
        6. Advantages and Disadvantages of Primary Data
    6. Step 4: Develop Findings
        1. Analyze the Data
        2. Data Mining and Predictive Modelling
        3. Analytics
        4. Metrics
        5. Present the Findings
    7. Step 5: Take Marketing Actions
        1. Make Action Recommendations
        2. Implement the Action Recommendations
        3. Evaluate the Results
    8. The Future of Market Research

9. Sales Forecasting Techniques
    1. Judgments of the Decision-Maker
    2. Surveys of Knowledgeable Groups
    3. Statistical Methods
10. Summary…just the facts
11. Key Terms and Concepts…a refresher
12. Hands-on…apply your knowledge
13. Chapter Vignette…activity
14. Marketing You

6. Chapter 5: Marketing to Organizations
    1. Chapter 5 Introduction
    2. The Nature and Size of Organizational Markets
        1. Industrial Markets
        2. Reseller Markets
        3. Government Markets
        4. Non-profit Organizations
        5. Measuring Industrial, Reseller, Government, and Non-profit Markets
    3. Content Marketing
    4. Characteristics of Organizational Buying
        1. Derived Demand
        2. Inelastic Demand
        3. Fluctuating Demand
        4. Size of the Order or Purchase
        5. Number of Potential Buyers
        6. Organizational Buying Objectives
        7. Organizational Buying Criteria
        8. Fear in Organizational Buying Behaviour
        9. Buyer–Seller Relationships and Supply Partnerships
    5. The Organizational Buying Process and the Buying Centre
        1. Stages in the Organizational Buying Process
        2. The Buying Centre: A Cross-Functional Group
    6. B2B Market Segmentation
        1. Type of Customer
        2. Size of Customer
        3. Type of Buying Situation
        4. Customer Location
        5. Benefits Sought
    7. Online Buying in Organizational Markets
        1. Prominence of Online Buying in Organizational Markets
        2. E-marketplaces: Virtual Organizational Markets
        3. E-marketplaces: Global Ecommerce
        4. Online Auctions in Organizational Markets

8. Summary…just the facts
9. Key Terms and Concepts…a refresher
10. Hands-on…apply your knowledge
11. Chapter Vignette…activity
12. Marketing You

7. Chapter 6: Segmentation, Targeting, and Positioning
    1. Chapter 6 Introduction
    2. Segmentation, Targeting, and Positioning
    3. Market Segmentation
        1. Forms of Market Segmentation
    4. Target Market Profiles and Personas
        1. Segmentation Variables in Consumer Markets
        2. Personas
    5. Segmentation Analytics
    6. Steps in Market Segmentation
    7. Positioning
        1. Repositioning
        2. Positioning Maps
    8. Summary…just the facts
    9. Key Terms and Concepts…a refresher
    10. Hands-on…apply your knowledge
    11. Chapter Vignette…activity
    12. Marketing You
8. Chapter 7: Products and Brands
    1. Chapter 7 Introduction
        1. Chapter 7 Products and Brands
    2. Types of Products
        1. The Uniqueness of Services
    3. Product Elements
        1. The Total Product Concept
        2. Packaging and Labelling
        3. Product Lines and Product Mixes
    4. Consumer and Business Products
        1. Consumer Products
        2. Business Products
    5. Branding
        1. Brand Strategies
        2. Protecting Brands—Patents, Copyright, and Trademarks
        3. Brand Loyalty
        4. Brand Personality
        5. Brand Names
        6. Types of Brands
    6. Summary…just the facts

7. Key Terms and Concepts…a refresher
8. Hands-on…apply your knowledge
9. Chapter Vignette…activity
10. Marketing You

9. Chapter 8: New Product Development
    1. Chapter 8 Introduction
    2. The Product Life Cycle
        1. Introduction Stage
        2. Growth Stage
        3. Maturity Stage
        4. Decline Stage
        5. Length of the Product Life Cycle
        6. Shape of the Product Life Cycle
    3. Product Life Cycle Strategies
        1. Modifying the Product
        2. Modifying the Market
        3. Repositioning a Product
        4. Introducing a New Product
    4. New Products
        1. Types of New Products
        2. The Adoption Curve
    5. New Product Development
        1. Approaches to New Product Development
        2. The New Product Development Process
    6. Summary…just the facts
    7. Key Terms and Concepts…a refresher
    8. Hands-on…apply your knowledge
    9. Chapter Vignette…activity
    10. Marketing You
10. Chapter 9: Pricing
    1. Chapter 9 Introduction
    2. Nature and Importance of Price
        1. What Is a Price?
        2. Price as an Indicator of Value
        3. Price in the Marketing Mix
    3. General Pricing Approaches
        1. Demand-Oriented Approaches
        2. Cost-Oriented Approaches
        3. Profit-Oriented Approaches
        4. Competition-Oriented Approaches
    4. Estimating Demand and Revenue
        1. The Importance of Accurate Forecasting
        2. Fundamentals of Estimating Demand

        3. Fundamentals of Estimating Revenue
    5. Determining Cost, Volume, and Profit Relationships
        1. The Importance of Controlling Costs
        2. Break-Even Analysis
        3. Applications of Break-Even Analysis
    6. Pricing Objectives and Constraints
        1. Identifying Pricing Objectives
        2. Identifying Pricing Constraints
        3. Legal and Ethical Considerations
        4. Global Pricing Strategy
    7. Setting a Final Price
        1. Step 1: Select an Approximate Price Level
        2. Step 2: Set the List or Quoted Price
        3. Step 3: Make Special Adjustments to the List or Quoted Price
        4. Step 4: Monitor and Adjust Prices
    8. Summary…just the facts
    9. Key Terms and Concepts…a refresher
    10. Hands-on…apply your knowledge
    11. Chapter Vignette…activity
    12. Marketing You
11. Chapter 10: Marketing Channels and Supply Chains
    1. Chapter 10 Introduction
    2. Nature and Importance of Marketing Channels
        1. What Is a Marketing Channel?
        2. Value Is Created by Intermediaries
    3. Channel Structure and Organization
        1. Marketing Channels for Consumer Goods and Services
        2. Marketing Channels for Business Goods and Services
        3. Digital Marketing Channels
        4. Multiple Channels and Strategic Alliances
        5. Multi-channel Marketing to the Online Consumer
        6. Global Channel Strategy
        7. Vertical Marketing Systems
    4. Channel Choice and Management
        1. Factors Affecting Channel Choice
        2. Channel Design Considerations
        3. Channel Relationships: Conflict and Co-operation
    5. Logistics and Supply Chain Management
        1. Supply Chains versus Marketing Channels
        2. Sourcing, Assembling, and Delivering a New Car: The Automotive Supply Chain
        3. Supply Chain Management and Marketing Strategy
        4. Reverse Logistics

6. Key Logistics Functions in a Supply Chain
    1. Transportation
    2. Order Processing
    3. Inventory Management
    4. Warehousing
7. Summary…just the facts
8. Key Terms and Concepts…a refresher
9. Hands-on…apply your knowledge
10. Chapter Vignette…activity
11. Marketing You

12. Chapter 11: Retailing and Wholesaling
    1. Chapter 11 Introduction
    2. The Value of Retailing
        1. Consumer Utilities Offered by Retailing
        2. The Canadian Retail Scene
        3. The Global Retail Picture
    3. Forms of Ownership
        1. Independent Retailer
        2. Corporate Chain
        3. Contractual System
    4. Target Market Selection and Positioning
        1. Selecting a Target Market
        2. Retail Positioning
        3. Shopper Marketing
    5. Retailing Mix
        1. Products and Services
        2. Retail Pricing
        3. Physical Location
        4. Communications
    6. Non-Store Retailing
        1. Automatic Vending and Kiosks
        2. Television Home Shopping
        3. Direct Marketing from a Retailing Perspective
    7. Online Retailing
        1. Mobile Banking and Cashless Future
        2. Why Customers Shop and Buy Online
        3. When and Where Online Customers Shop and Buy
        4. Describing the Online Customer
        5. What Online Customers Buy
    8. Retailer Usage of the Mobile Channel
    9. Wholesaling
        1. Merchant Wholesalers
        2. Agents and Brokers

        3. Manufacturer's Branches and Offices
    10. Summary…just the facts
    11. Key Terms and Concepts…a refresher
    12. Hands-on…apply your knowledge
    13. Chapter Vignette…activity
    14. Marketing You
13. Chapter 12: Integrated Marketing Communications—The Mix, Trends, and Industry
    1. Chapter 12 Introduction
        1. Chapter 12Integrated Marketing Communications—The Mix, Trends, and Industry
    2. Marketing Communications—Promotion
        1. Developing the Promotional Mix
        2. Integrated Marketing Communications
        3. The Customer Advocacy Funnel
        4. Designing Marketing Communication Programs
        5. Steps in the Marketing Communications Process
        6. The Product Life Cycle
    3. Trends in Marketing Communications
        1. A Changing Landscape
    4. The Marketing Communications Industry
        1. The Media
        2. Marketing Communication Agencies
        3. Media Research Companies
        4. Associations
        5. Regulatory Bodies
    5. Summary…just the facts
    6. Key Terms and Concepts…a refresher
    7. Hands-on…apply your knowledge
    8. Chapter Vignette…activity
    9. Marketing You
14. Chapter 13: Integrated Marketing Communications—Promotional Tools
    1. Chapter 13 Introduction
    2. Promotional Mix
    3. Advertising
        1. Designing the Advertisement
        2. Advertising Media Choices
        3. Scheduling the Advertising
    4. Product Placement and Branded Entertainment
    5. Sales Promotion and Personal Selling
        1. Consumer Promotions
        2. Mobile Sales Promotional Tools
        3. Personal Selling

6. Public Relations
    1. Public Relations Tools
    2. Direct Response Marketing
    3. Event Marketing and Sponsorship
7. Digital Marketing Communication
    1. Online Marketing Tools
8. The Social Media Landscape
    1. What Are Social Media?
    2. Why and How Social Media Transformed Marketing Communications
    3. Comparing Social Media with Traditional Media
    4. Social Media Marketing
9. Social Media Marketing Networks and Tools
    1. Social Media Networks in Canada
10. Best Practices in Social Media Marketing
    1. Creating and Measuring Social Media Marketing Programs
    2. Best Practices
11. The Mobile Marketing Landscape
    1. The Mobile Market
    2. Mobile Devices
    3. Consumers and Mobile Devices
12. Mobile Marketing Tools
    1. Mobile Web
    2. Mobile Applications (Apps)
13. Mobile Marketing Regulations and Best Practices
    1. Mobile Marketing Regulations
    2. Mobile Marketing Best Practices
14. Summary…just the facts
15. Key Terms and Concepts…a refresher
16. Hands-on…apply your knowledge
17. Chapter Vignette…activity
18. Marketing You

15. Chapter 14: Customer Relationship Management
    1. Chapter 14 Introduction
    2. Customer Relationship Management (CRM)
        1. Customer Satisfaction
        2. Customer Experience Management
    3. Cultural Changes
        1. CRM at Four Seasons Hotels and Resorts
        2. CRM at WestJet
        3. CRM at TD Canada Trust
    4. Social Media and CRM
        1. Tourism and Social Media

        2. Credibility Issues of Social Media
    5. Customer Acquisition and Retention
        1. Loyalty Programs
        2. Privacy
    6. Database Marketing
        1. Data Mining
        2. Customer Lifetime Value
    7. CRM and Customer Reacquisition
        1. Retaining Marginal Customers
    8. Summary…just the facts
    9. Key Terms and Concepts…a refresher
    10. Hands-on…apply your knowledge
    11. Chapter Vignette…activity
    12. Marketing You
16. Chapter 15: Strategic Marketing Planning
    1. Chapter 15 Introduction
        1. Chapter 15 Strategic Marketing Planning
    2. Organizational Structure and Strategy
        1. Kinds of Organizations
        2. Marketing and the Three Organizational Levels
        3. Strategy Issues in Organizations
        4. Tracking Strategic Performance
    3. Setting Strategic Directions
        1. A Look Around: Where Are We Now?
        2. Growth Strategies: Where Do We Want to Go?
    4. The Strategic Marketing Process
        1. The Planning Phase of the Marketing Plan
        2. The Implementation Phase of the Marketing Plan
        3. The Evaluation Phase of the Marketing Plan
    5. Summary…just the facts
    6. Key Terms and Concepts…a refresher
    7. Hands-on…apply your knowledge
    8. Chapter Vignette…activity
    9. Marketing You
17. Appendix A: Building an Effective Marketing Plan
    1. Building an Effective Marketing Plan
    2. Sample Marketing Plan for SeeWhy Learning
        1. 1. Executive Summary
        2. 2. Company Description
        3. 3. Strategic Focus and Plan
        4. 4. SWOT and Market Analysis
        5. 5. Market–Product Focus and Goal Setting
        6. 6. Marketing Program

        7. 7. Sales Forecast
        8. 8. Implementation Plan
        9. 9. Evaluation Plan
18. Glossary
    1. Glossary
19. Accessibility Content: Text Alternatives for Images
    1. Figure 1-1 Text Alternative (Chapter 1)
    2. Figure 1-2 Text Alternative (Chapter 1)
    3. Figure 1-3 Text Alternative (Chapter 1)
    4. Hush Blankets Graphic Text Alternative (Chapter 1)
    5. Marketing Graphic Text Alternative (Chapter 1)
    6. Costco understands Graphic Text Alternative (Chapter 1)
    7. Creating products Graphic Text Alternative (Chapter 1)
    8. Halo Top ice cream Graphic Text Alternative (Chapter 1)
    9. Movember Foundation Graphic Text Alternative (Chapter 1)
    10. Benevity—Making CSR the Brand Graphic Text Alternative (Chapter 1)
    11. Digital Marketing Graphic Text Alternative (Chapter 1)
    12. Digital Marketing Campaign Graphic Text Alternative (Chapter 1)
    13. Partnership Marketing Graphic Text Alternative (Chapter 1)
    14. The Ethics of Greenwashing Graphic Text Alternative (Chapter 1)
    15. Canadian marketing job-search Graphic Text Alternative (Chapter 1)
    16. Venn diagram Graphic Text Alternative (Chapter 1)
    17. Figure 2-1. Text Alternative (Chapter 2)
    18. Figure 2-2 Text Alternative (Chapter 2)
    19. Figure 2-3 Text Alternative (Chapter 2)
    20. Figure 2-4 Text Alternative (Chapter 2)
    21. Figure 2-5 Text Alternative (Chapter 2)
    22. Fraud Prevention Graphic Text Alternative (Chapter 2)
    23. The Code Graphic Text Alternative (Chapter 2)
    24. Cultural origins reported by the population Graphic Text Alternative (Chapter 2)
    25. Figure 3-1 Text Alternative (Chapter 3)
    26. Figure 3-3 Text Alternative (Chapter 3)
    27. Figure 3-4 Text Alternative (Chapter 3)
    28. Figure 4–1 Text Alternative (Chapter 4)
    29. A properly selected sample Graphic Text Alternative (Chapter 4)
    30. Figure 4-2 Text Alternative (Chapter 4)
    31. Focus groups of students Graphic Text Alternative (Chapter 4)
    32. Figure 4-3 Text Alternative (Chapter 4)
    33. Figure 4-5 Text Alternative (Chapter 4)
    34. Dashboards Graphic Text Alternative (Chapter 4)
    35. Figure 4–8 Text Alternative (Chapter 4)
    36. Figure 5-1 Text Alternative (Chapter 5)

37. Figure 5-3 Text Alternative (Chapter 5)
38. Figure 5-7 Text Alternative (Chapter 5)
39. Development Goals Graphic Text Alternative (Chapter 5)
40. Proud Calgary Enthusiasts Graphic Text Alternative (Chapter 6)
41. Figure 6-1 Text Alternative (Chapter 6)
42. Tru Earth laundry Graphic Text Alternative (Chapter 6)
43. Meet The Millennials Graphic Text Alternative (Chapter 6)
44. Figure 6-5 Text Alternative (Chapter 6)
45. Help Stop it Graphic Text Alternative (Chapter 7)
46. Figure 7-1 Text Alternative (Chapter 7)
47. Figure 7-2 Text Alternative (Chapter 7)
48. Consumers reveal Graphic Text Alternative (Chapter 7)
49. Figure 8-1 Text Alternative (Chapter 8)
50. Figure 8-4 Text Alternative (Chapter 8)
51. Figure 8-6 Text Alternative (Chapter 8)
52. Enter Stripe Climate Graphic Text Alternative (Chapter 8)
53. Figure 8-9 Text Alternative (Chapter 8)
54. Figure 9-4 Text Alternative (Chapter 9)
55. Figure 9-8 Text Alternative (Chapter 9)
56. Figure 9-9 Text Alternative (Chapter 9)
57. Figure 9-11 Text Alternative (Chapter 9)
58. Figure 10-2 Text Alternative (Chapter 10)
59. Figure 10-4 Text Alternative (Chapter 10)
60. Figure 10-5 Text Alternative (Chapter 10)
61. Figure 10-6 Text Alternative (Chapter 10)
62. Figure 10-7 Text Alternative (Chapter 10)
63. Figure 10-8 Text Alternative (Chapter 10)
64. Figure 10-9 Text Alternative (Chapter 10)
65. Figure 10-10 Text Alternative (Chapter 10)
66. Figure 11-1 Text Alternative (Chapter 11)
67. Figure 11-2 Text Alternative (Chapter 11)
68. Figure 11-4 Text Alternative (Chapter 11)
69. Figure 11-5 Text Alternative (Chapter 11)
70. Figure 12-1 Text Alternative (Chapter 12)
71. Figure 12-2 Text Alternative (Chapter 12)
72. Figure 12-3 Text Alternative (Chapter 12)
73. Figure 12-4 Text Alternative (Chapter 12)
74. Advertising Standards Canada Graphic Text Alternative (Chapter 12)
75. Figure 13-3 Text Alternative (Chapter 13)
76. Figure 13-8 Text Alternative (Chapter 13)
77. Figure 13-9 Text Alternative (Chapter 13)
78. Ford believes in social media Graphic Text Alternative (Chapter 14)
79. Figure 15-1 Text Alternative (Chapter 15)

80. Figure 15-2 Text Alternative (Chapter 15)
81. Figure 15-3 Text Alternative (Chapter 15)
82. Figure 15-5 Text Alternative (Chapter 15)
83. Figure 15-7 Text Alternative (Chapter 15)
84. Figure 15-8 Text Alternative (Chapter 15)
85. test

1. Page i
2. Page ii
3. Page iii
4. Page iv
5. Page v
6. Page vi
7. Page vii
8. Page viii
9. Page ix
10. Page x
11. Page xi
12. Page xii
13. Page xiii
14. Page xiv
15. Page xv
16. Page xvi
17. Page xvii
18. Page xviii
19. Page xix
20. Page 2
21. Page 3
22. Page 4
23. Page 5
24. Page 6
25. Page 7
26. Page 8
27. Page 9
28. Page 10
29. Page 11
30. Page 12
31. Page 13
32. Page 14
33. Page 15
34. Page 16
35. Page 17
36. Page 18

37. Page 19
38. Page 20
39. Page 21
40. Page 22
41. Page 23
42. Page 24
43. Page 25
44. Page 26
45. Page 27
46. Page 28
47. Page 29
48. Page 30
49. Page 31
50. Page 32
51. Page 33
52. Page 34
53. Page 35
54. Page 36
55. Page 37
56. Page 38
57. Page 39
58. Page 40
59. Page 41
60. Page 42
61. Page 43
62. Page 44
63. Page 45
64. Page 46
65. Page 47
66. Page 48
67. Page 49
68. Page 50
69. Page 51
70. Page 52
71. Page 53
72. Page 54
73. Page 55
74. Page 56
75. Page 57
76. Page 58
77. Page 59
78. Page 60
79. Page 61

80. Page 62
81. Page 63
82. Page 64
83. Page 65
84. Page 66
85. Page 67
86. Page 68
87. Page 69
88. Page 70
89. Page 71
90. Page 72
91. Page 73
92. Page 74
93. Page 75
94. Page 76
95. Page 77
96. Page 78
97. Page 79
98. Page 80
99. Page 81
100. Page 82
101. Page 83
102. Page 84
103. Page 85
104. Page 86
105. Page 87
106. Page 88
107. Page 89
108. Page 90
109. Page 91
110. Page 92
111. Page 93
112. Page 94
113. Page 95
114. Page 96
115. Page 97
116. Page 98
117. Page 99
118. Page 100
119. Page 101
120. Page 102
121. Page 103
122. Page 104

123. Page 105
124. Page 106
125. Page 107
126. Page 108
127. Page 109
128. Page 110
129. Page 111
130. Page 112
131. Page 113
132. Page 114
133. Page 115
134. Page 116
135. Page 117
136. Page 118
137. Page 119
138. Page 120
139. Page 121
140. Page 122
141. Page 123
142. Page 124
143. Page 125
144. Page 126
145. Page 127
146. Page 128
147. Page 129
148. Page 130
149. Page 131
150. Page 132
151. Page 133
152. Page 134
153. Page 135
154. Page 136
155. Page 137
156. Page 138
157. Page 139
158. Page 140
159. Page 141
160. Page 142
161. Page 143
162. Page 144
163. Page 145
164. Page 146
165. Page 147

166. Page 148
167. Page 149
168. Page 150
169. Page 151
170. Page 152
171. Page 153
172. Page 154
173. Page 155
174. Page 156
175. Page 157
176. Page 158
177. Page 159
178. Page 160
179. Page 161
180. Page 162
181. Page 163
182. Page 164
183. Page 165
184. Page 166
185. Page 167
186. Page 168
187. Page 169
188. Page 170
189. Page 171
190. Page 172
191. Page 173
192. Page 174
193. Page 175
194. Page 176
195. Page 177
196. Page 178
197. Page 179
198. Page 180
199. Page 181
200. Page 182
201. Page 183
202. Page 184
203. Page 185
204. Page 186
205. Page 187
206. Page 188
207. Page 189
208. Page 190

209. Page 191
210. Page 192
211. Page 193
212. Page 194
213. Page 195
214. Page 196
215. Page 197
216. Page 198
217. Page 199
218. Page 200
219. Page 201
220. Page 202
221. Page 203
222. Page 204
223. Page 205
224. Page 206
225. Page 207
226. Page 208
227. Page 209
228. Page 210
229. Page 211
230. Page 212
231. Page 213
232. Page 214
233. Page 215
234. Page 216
235. Page 217
236. Page 218
237. Page 219
238. Page 220
239. Page 221
240. Page 222
241. Page 223
242. Page 224
243. Page 225
244. Page 226
245. Page 227
246. Page 228
247. Page 229
248. Page 230
249. Page 231
250. Page 232
251. Page 233

252. Page 234
253. Page 235
254. Page 236
255. Page 237
256. Page 238
257. Page 239
258. Page 240
259. Page 241
260. Page 242
261. Page 243
262. Page 244
263. Page 245
264. Page 246
265. Page 247
266. Page 248
267. Page 249
268. Page 250
269. Page 251
270. Page 252
271. Page 253
272. Page 254
273. Page 255
274. Page 256
275. Page 257
276. Page 258
277. Page 259
278. Page 260
279. Page 261
280. Page 262
281. Page 263
282. Page 264
283. Page 265
284. Page 266
285. Page 267
286. Page 268
287. Page 269
288. Page 270
289. Page 271
290. Page 272
291. Page 273
292. Page 274
293. Page 275
294. Page 276

295. Page 277
296. Page 278
297. Page 279
298. Page 280
299. Page 281
300. Page 282
301. Page 283
302. Page 284
303. Page 285
304. Page 286
305. Page 287
306. Page 288
307. Page 289
308. Page 290
309. Page 291
310. Page 292
311. Page 293
312. Page 294
313. Page 295
314. Page 296
315. Page 297
316. Page 298
317. Page 299
318. Page 300
319. Page 301
320. Page 302
321. Page 303
322. Page 304
323. Page 305
324. Page 306
325. Page 307
326. Page 308
327. Page 309
328. Page 310
329. Page 311
330. Page 312
331. Page 313
332. Page 314
333. Page 315
334. Page 316
335. Page 317
336. Page 318
337. Page 319

338. Page 320
339. Page 321
340. Page 322
341. Page 323
342. Page 324
343. Page 325
344. Page 326
345. Page 327
346. Page 328
347. Page 329
348. Page 330
349. Page 331
350. Page 332
351. Page 333
352. Page 334
353. Page 335
354. Page 336
355. Page 337
356. Page 338
357. Page 339
358. Page 340
359. Page 341
360. Page 342
361. Page 343
362. Page 344
363. Page 345
364. Page 346
365. Page 347
366. Page 348
367. Page 349
368. Page 350
369. Page 351
370. Page 352
371. Page 353
372. Page 354
373. Page 355
374. Page 356
375. Page 357
376. Page 358
377. Page 359
378. Page 360
379. Page GL-1
380. Page GL-2

381. Page GL-3
382. Page GL-4
383. Page GL-5
384. Page GL-6
385. Page GL-7
386. Page GL-8
387. Page GL-9
388. Page GL-10

Guide

1. Table of Contents and Preface
2. Cover Page
3. Title Page
4. Copyright Information
5. Author Profiles
6. Brief Contents
7. Contents
8. Preface
9. Text Organization and Content
10. What's New? Marketing: The Core
11. Chapter-Specific Additions
12. Reflecting the Diverse World Around Us
13. A Student's Guide to Marketing: The Core
14. Award-Winning Technology
15. Instructor Resources
16. ReadAnywhere App
17. Polling
18. Remote Proctoring & Browser-Locking Capabilities
19. Connect
20. Acknowledgements
21. Chapter 1: Marketing Fundamentals
22. Chapter 1 Introduction
23. Chapter 1Marketing Fundamentals
24. What Is Marketing?
25. Marketing and Your Career
26. The Role of Marketing
27. Focusing on Consumer Needs and Wants
28. Creating Customer Value
29. Appealing to Target Markets
30. Coordinating the Marketing Mix
31. The Marketing Process

32. What Can Be Marketed?
33. What Is a Market?
34. The Evolution of Business Philosophies
35. New and Evolving Marketing Practices
36. Digital Marketing
37. Augmented Reality
38. Experiential Marketing
39. Influencer Marketing
40. Partnership Marketing
41. Metrics and Analytics
42. Marketing Regulations and Ethical Considerations
43. Marketing Careers
44. Summary…just the facts
45. Key Terms and Concepts…a refresher
46. Hands-on…apply your knowledge
47. Chapter Vignette…activity
48. Marketing You
49. Chapter 2: The Marketing Environment
50. Chapter 2 Introduction
51. The Marketing Environment
52. Situation (SWOT) Analysis
53. An Environmental Scan
54. Social Forces
55. Economic Forces
56. Technological Forces
57. Competitive Forces
58. Regulatory Forces
59. Steps in an Environmental Scan
60. Summary…just the facts
61. Key Terms and Concepts…a refresher
62. Hands-on…apply your knowledge
63. Chapter Vignette…activity
64. Marketing You
65. Chapter 3: Customer Behaviour
66. Chapter 3 Introduction
67. Chapter 3 Customer Behaviour
68. Customer Purchase Decision Process
69. Problem Recognition: Perceiving a Need
70. Information Search: Seeking Value
71. Evaluation of Alternatives: Assessing Value
72. Purchase Decision: Buying Value
73. Post-purchase Behaviour: Value in Consumption or Use
74. Involvement and Problem-Solving Variations

75. Customer Purchase Decision Process Influencers
76. Situational Influences on Customer Decisions
77. Psychological Influences on Customer Behaviour
78. Motivation and Personality
79. Perception
80. Learning
81. Values, Beliefs, and Attitudes
82. Lifestyle
83. Socio-cultural Influences on Customer Behaviour
84. Personal Influence
85. Reference Groups
86. Family Influence
87. Culture and Subculture
88. Global Cultural Diversity
89. Summary…just the facts
90. Key Terms and Concepts…a refresher
91. Hands-on…apply your knowledge
92. Chapter Vignette…activity
93. Marketing You
94. Chapter 4: Market Research
95. Chapter 4 Introduction
96. The Role of Marketing Research
97. What Is Marketing Research?
98. The Challenges in Doing Good Marketing Research
99. The Five-Step Market Research Approach
100. Step 1: Define the Problem/Issue/Opportunity
101. Set the Research Objectives
102. Identify Possible Marketing Actions
103. Step 2: Develop the Research Plan
104. Specify Constraints
105. Identify Data Needed for Marketing Actions
106. Determine How to Collect Data
107. Step 3: Collect Relevant Information
108. Secondary Data
109. Advantages and Disadvantages of Secondary Data
110. Primary Data: Watching People
111. Primary Data: Asking People
112. Primary Data: Other Sources
113. Advantages and Disadvantages of Primary Data
114. Step 4: Develop Findings
115. Analyze the Data
116. Data Mining and Predictive Modelling
117. Analytics

118. Metrics
119. Present the Findings
120. Step 5: Take Marketing Actions
121. Make Action Recommendations
122. Implement the Action Recommendations
123. Evaluate the Results
124. The Future of Market Research
125. Sales Forecasting Techniques
126. Judgments of the Decision-Maker
127. Surveys of Knowledgeable Groups
128. Statistical Methods
129. Summary…just the facts
130. Key Terms and Concepts…a refresher
131. Hands-on…apply your knowledge
132. Chapter Vignette…activity
133. Marketing You
134. Chapter 5: Marketing to Organizations
135. Chapter 5 Introduction
136. The Nature and Size of Organizational Markets
137. Industrial Markets
138. Reseller Markets
139. Government Markets
140. Non-profit Organizations
141. Measuring Industrial, Reseller, Government, and Non-profit Markets
142. Content Marketing
143. Characteristics of Organizational Buying
144. Derived Demand
145. Inelastic Demand
146. Fluctuating Demand
147. Size of the Order or Purchase
148. Number of Potential Buyers
149. Organizational Buying Objectives
150. Organizational Buying Criteria
151. Fear in Organizational Buying Behaviour
152. Buyer–Seller Relationships and Supply Partnerships
153. The Organizational Buying Process and the Buying Centre
154. Stages in the Organizational Buying Process
155. The Buying Centre: A Cross-Functional Group
156. B2B Market Segmentation
157. Type of Customer
158. Size of Customer
159. Type of Buying Situation
160. Customer Location

161. Benefits Sought
162. Online Buying in Organizational Markets
163. Prominence of Online Buying in Organizational Markets
164. E-marketplaces: Virtual Organizational Markets
165. E-marketplaces: Global Ecommerce
166. Online Auctions in Organizational Markets
167. Summary…just the facts
168. Key Terms and Concepts…a refresher
169. Hands-on…apply your knowledge
170. Chapter Vignette…activity
171. Marketing You
172. Chapter 6: Segmentation, Targeting, and Positioning
173. Chapter 6 Introduction
174. Segmentation, Targeting, and Positioning
175. Market Segmentation
176. Forms of Market Segmentation
177. Target Market Profiles and Personas
178. Segmentation Variables in Consumer Markets
179. Personas
180. Segmentation Analytics
181. Steps in Market Segmentation
182. Positioning
183. Repositioning
184. Positioning Maps
185. Summary…just the facts
186. Key Terms and Concepts…a refresher
187. Hands-on…apply your knowledge
188. Chapter Vignette…activity
189. Marketing You
190. Chapter 7: Products and Brands
191. Chapter 7 Introduction
192. Chapter 7 Products and Brands
193. Types of Products
194. The Uniqueness of Services
195. Product Elements
196. The Total Product Concept
197. Packaging and Labelling
198. Product Lines and Product Mixes
199. Consumer and Business Products
200. Consumer Products
201. Business Products
202. Branding
203. Brand Strategies

204. Protecting Brands—Patents, Copyright, and Trademarks
205. Brand Loyalty
206. Brand Personality
207. Brand Names
208. Types of Brands
209. Summary…just the facts
210. Key Terms and Concepts…a refresher
211. Hands-on…apply your knowledge
212. Chapter Vignette…activity
213. Marketing You
214. Chapter 8: New Product Development
215. Chapter 8 Introduction
216. The Product Life Cycle
217. Introduction Stage
218. Growth Stage
219. Maturity Stage
220. Decline Stage
221. Length of the Product Life Cycle
222. Shape of the Product Life Cycle
223. Product Life Cycle Strategies
224. Modifying the Product
225. Modifying the Market
226. Repositioning a Product
227. Introducing a New Product
228. New Products
229. Types of New Products
230. The Adoption Curve
231. New Product Development
232. Approaches to New Product Development
233. The New Product Development Process
234. Summary…just the facts
235. Key Terms and Concepts…a refresher
236. Hands-on…apply your knowledge
237. Chapter Vignette…activity
238. Marketing You
239. Chapter 9: Pricing
240. Chapter 9 Introduction
241. Nature and Importance of Price
242. What Is a Price?
243. Price as an Indicator of Value
244. Price in the Marketing Mix
245. General Pricing Approaches
246. Demand-Oriented Approaches

247. Cost-Oriented Approaches
248. Profit-Oriented Approaches
249. Competition-Oriented Approaches
250. Estimating Demand and Revenue
251. The Importance of Accurate Forecasting
252. Fundamentals of Estimating Demand
253. Fundamentals of Estimating Revenue
254. Determining Cost, Volume, and Profit Relationships
255. The Importance of Controlling Costs
256. Break-Even Analysis
257. Applications of Break-Even Analysis
258. Pricing Objectives and Constraints
259. Identifying Pricing Objectives
260. Identifying Pricing Constraints
261. Legal and Ethical Considerations
262. Global Pricing Strategy
263. Setting a Final Price
264. Step 1: Select an Approximate Price Level
265. Step 2: Set the List or Quoted Price
266. Step 3: Make Special Adjustments to the List or Quoted Price
267. Step 4: Monitor and Adjust Prices
268. Summary…just the facts
269. Key Terms and Concepts…a refresher
270. Hands-on…apply your knowledge
271. Chapter Vignette…activity
272. Marketing You
273. Chapter 10: Marketing Channels and Supply Chains
274. Chapter 10 Introduction
275. Nature and Importance of Marketing Channels
276. What Is a Marketing Channel?
277. Value Is Created by Intermediaries
278. Channel Structure and Organization
279. Marketing Channels for Consumer Goods and Services
280. Marketing Channels for Business Goods and Services
281. Digital Marketing Channels
282. Multiple Channels and Strategic Alliances
283. Multi-channel Marketing to the Online Consumer
284. Global Channel Strategy
285. Vertical Marketing Systems
286. Channel Choice and Management
287. Factors Affecting Channel Choice
288. Channel Design Considerations
289. Channel Relationships: Conflict and Co-operation

290. Logistics and Supply Chain Management
291. Supply Chains versus Marketing Channels
292. Sourcing, Assembling, and Delivering a New Car: The Automotive Supply Chain
293. Supply Chain Management and Marketing Strategy
294. Reverse Logistics
295. Key Logistics Functions in a Supply Chain
296. Transportation
297. Order Processing
298. Inventory Management
299. Warehousing
300. Summary…just the facts
301. Key Terms and Concepts…a refresher
302. Hands-on…apply your knowledge
303. Chapter Vignette…activity
304. Marketing You
305. Chapter 11: Retailing and Wholesaling
306. Chapter 11 Introduction
307. The Value of Retailing
308. Consumer Utilities Offered by Retailing
309. The Canadian Retail Scene
310. The Global Retail Picture
311. Forms of Ownership
312. Independent Retailer
313. Corporate Chain
314. Contractual System
315. Target Market Selection and Positioning
316. Selecting a Target Market
317. Retail Positioning
318. Shopper Marketing
319. Retailing Mix
320. Products and Services
321. Retail Pricing
322. Physical Location
323. Communications
324. Non-Store Retailing
325. Automatic Vending and Kiosks
326. Television Home Shopping
327. Direct Marketing from a Retailing Perspective
328. Online Retailing
329. Mobile Banking and Cashless Future
330. Why Customers Shop and Buy Online
331. When and Where Online Customers Shop and Buy

332. Describing the Online Customer
333. What Online Customers Buy
334. Retailer Usage of the Mobile Channel
335. Wholesaling
336. Merchant Wholesalers
337. Agents and Brokers
338. Manufacturer's Branches and Offices
339. Summary…just the facts
340. Key Terms and Concepts…a refresher
341. Hands-on…apply your knowledge
342. Chapter Vignette…activity
343. Marketing You
344. Chapter 12: Integrated Marketing Communications—The Mix, Trends, and Industry
345. Chapter 12 Introduction
346. Chapter 12Integrated Marketing Communications—The Mix, Trends, and Industry
347. Marketing Communications—Promotion
348. Developing the Promotional Mix
349. Integrated Marketing Communications
350. The Customer Advocacy Funnel
351. Designing Marketing Communication Programs
352. Steps in the Marketing Communications Process
353. The Product Life Cycle
354. Trends in Marketing Communications
355. A Changing Landscape
356. The Marketing Communications Industry
357. The Media
358. Marketing Communication Agencies
359. Media Research Companies
360. Associations
361. Regulatory Bodies
362. Summary…just the facts
363. Key Terms and Concepts…a refresher
364. Hands-on…apply your knowledge
365. Chapter Vignette…activity
366. Marketing You
367. Chapter 13: Integrated Marketing Communications—Promotional Tools
368. Chapter 13 Introduction
369. Promotional Mix
370. Advertising
371. Designing the Advertisement
372. Advertising Media Choices

373. Scheduling the Advertising
374. Product Placement and Branded Entertainment
375. Sales Promotion and Personal Selling
376. Consumer Promotions
377. Mobile Sales Promotional Tools
378. Personal Selling
379. Public Relations
380. Public Relations Tools
381. Direct Response Marketing
382. Event Marketing and Sponsorship
383. Digital Marketing Communication
384. Online Marketing Tools
385. The Social Media Landscape
386. What Are Social Media?
387. Why and How Social Media Transformed Marketing Communications
388. Comparing Social Media with Traditional Media
389. Social Media Marketing
390. Social Media Marketing Networks and Tools
391. Social Media Networks in Canada
392. Best Practices in Social Media Marketing
393. Creating and Measuring Social Media Marketing Programs
394. Best Practices
395. The Mobile Marketing Landscape
396. The Mobile Market
397. Mobile Devices
398. Consumers and Mobile Devices
399. Mobile Marketing Tools
400. Mobile Web
401. Mobile Applications (Apps)
402. Mobile Marketing Regulations and Best Practices
403. Mobile Marketing Regulations
404. Mobile Marketing Best Practices
405. Summary…just the facts
406. Key Terms and Concepts…a refresher
407. Hands-on…apply your knowledge
408. Chapter Vignette…activity
409. Marketing You
410. Chapter 14: Customer Relationship Management
411. Chapter 14 Introduction
412. Customer Relationship Management (CRM)
413. Customer Satisfaction
414. Customer Experience Management
415. Cultural Changes

416. CRM at Four Seasons Hotels and Resorts
417. CRM at WestJet
418. CRM at TD Canada Trust
419. Social Media and CRM
420. Tourism and Social Media
421. Credibility Issues of Social Media
422. Customer Acquisition and Retention
423. Loyalty Programs
424. Privacy
425. Database Marketing
426. Data Mining
427. Customer Lifetime Value
428. CRM and Customer Reacquisition
429. Retaining Marginal Customers
430. Summary…just the facts
431. Key Terms and Concepts…a refresher
432. Hands-on…apply your knowledge
433. Chapter Vignette…activity
434. Marketing You
435. Chapter 15: Strategic Marketing Planning
436. Chapter 15 Introduction
437. Chapter 15 Strategic Marketing Planning
438. Organizational Structure and Strategy
439. Kinds of Organizations
440. Marketing and the Three Organizational Levels
441. Strategy Issues in Organizations
442. Tracking Strategic Performance
443. Setting Strategic Directions
444. A Look Around: Where Are We Now?
445. Growth Strategies: Where Do We Want to Go?
446. The Strategic Marketing Process
447. The Planning Phase of the Marketing Plan
448. The Implementation Phase of the Marketing Plan
449. The Evaluation Phase of the Marketing Plan
450. Summary…just the facts
451. Key Terms and Concepts…a refresher
452. Hands-on…apply your knowledge
453. Chapter Vignette…activity
454. Marketing You
455. Appendix A: Building an Effective Marketing Plan
456. Building an Effective Marketing Plan
457. Sample Marketing Plan for SeeWhy Learning
458. 1. Executive Summary

459. 2. Company Description
460. 3. Strategic Focus and Plan
461. 4. SWOT and Market Analysis
462. 5. Market–Product Focus and Goal Setting
463. 6. Marketing Program
464. 7. Sales Forecast
465. 8. Implementation Plan
466. 9. Evaluation Plan
467. Glossary
468. Glossary
469. Accessibility Content: Text Alternatives for Images
470. Figure 1-1 Text Alternative (Chapter 1)
471. Figure 1-2 Text Alternative (Chapter 1)
472. Figure 1-3 Text Alternative (Chapter 1)
473. Hush Blankets Graphic Text Alternative (Chapter 1)
474. Marketing Graphic Text Alternative (Chapter 1)
475. Costco understands Graphic Text Alternative (Chapter 1)
476. Creating products Graphic Text Alternative (Chapter 1)
477. Halo Top ice cream Graphic Text Alternative (Chapter 1)
478. Movember Foundation Graphic Text Alternative (Chapter 1)
479. Benevity—Making CSR the Brand Graphic Text Alternative (Chapter 1)
480. Digital Marketing Graphic Text Alternative (Chapter 1)
481. Digital Marketing Campaign Graphic Text Alternative (Chapter 1)
482. Partnership Marketing Graphic Text Alternative (Chapter 1)
483. The Ethics of Greenwashing Graphic Text Alternative (Chapter 1)
484. Canadian marketing job-search Graphic Text Alternative (Chapter 1)
485. Venn diagram Graphic Text Alternative (Chapter 1)
486. Figure 2-1. Text Alternative (Chapter 2)
487. Figure 2-2 Text Alternative (Chapter 2)
488. Figure 2-3 Text Alternative (Chapter 2)
489. Figure 2-4 Text Alternative (Chapter 2)
490. Figure 2-5 Text Alternative (Chapter 2)
491. Fraud Prevention Graphic Text Alternative (Chapter 2)
492. The Code Graphic Text Alternative (Chapter 2)
493. Cultural origins reported by the population Graphic Text Alternative (Chapter 2)
494. Figure 3-1 Text Alternative (Chapter 3)
495. Figure 3-3 Text Alternative (Chapter 3)
496. Figure 3-4 Text Alternative (Chapter 3)
497. Figure 4–1 Text Alternative (Chapter 4)
498. A properly selected sample Graphic Text Alternative (Chapter 4)
499. Figure 4-2 Text Alternative (Chapter 4)
500. Focus groups of students Graphic Text Alternative (Chapter 4)

501. Figure 4-3 Text Alternative (Chapter 4)
502. Figure 4-5 Text Alternative (Chapter 4)
503. Dashboards Graphic Text Alternative (Chapter 4)
504. Figure 4–8 Text Alternative (Chapter 4)
505. Figure 5-1 Text Alternative (Chapter 5)
506. Figure 5-3 Text Alternative (Chapter 5)
507. Figure 5-7 Text Alternative (Chapter 5)
508. Development Goals Graphic Text Alternative (Chapter 5)
509. Proud Calgary Enthusiasts Graphic Text Alternative (Chapter 6)
510. Figure 6-1 Text Alternative (Chapter 6)
511. Tru Earth laundry Graphic Text Alternative (Chapter 6)
512. Meet The Millennials Graphic Text Alternative (Chapter 6)
513. Figure 6-5 Text Alternative (Chapter 6)
514. Help Stop it Graphic Text Alternative (Chapter 7)
515. Figure 7-1 Text Alternative (Chapter 7)
516. Figure 7-2 Text Alternative (Chapter 7)
517. Consumers reveal Graphic Text Alternative (Chapter 7)
518. Figure 8-1 Text Alternative (Chapter 8)
519. Figure 8-4 Text Alternative (Chapter 8)
520. Figure 8-6 Text Alternative (Chapter 8)
521. Enter Stripe Climate Graphic Text Alternative (Chapter 8)
522. Figure 8-9 Text Alternative (Chapter 8)
523. Figure 9-4 Text Alternative (Chapter 9)
524. Figure 9-8 Text Alternative (Chapter 9)
525. Figure 9-9 Text Alternative (Chapter 9)
526. Figure 9-11 Text Alternative (Chapter 9)
527. Figure 10-2 Text Alternative (Chapter 10)
528. Figure 10-4 Text Alternative (Chapter 10)
529. Figure 10-5 Text Alternative (Chapter 10)
530. Figure 10-6 Text Alternative (Chapter 10)
531. Figure 10-7 Text Alternative (Chapter 10)
532. Figure 10-8 Text Alternative (Chapter 10)
533. Figure 10-9 Text Alternative (Chapter 10)
534. Figure 10-10 Text Alternative (Chapter 10)
535. Figure 11-1 Text Alternative (Chapter 11)
536. Figure 11-2 Text Alternative (Chapter 11)
537. Figure 11-4 Text Alternative (Chapter 11)
538. Figure 11-5 Text Alternative (Chapter 11)
539. Figure 12-1 Text Alternative (Chapter 12)
540. Figure 12-2 Text Alternative (Chapter 12)
541. Figure 12-3 Text Alternative (Chapter 12)
542. Figure 12-4 Text Alternative (Chapter 12)
543. Advertising Standards Canada Graphic Text Alternative (Chapter 12)

544. Figure 13-3 Text Alternative (Chapter 13)
545. Figure 13-8 Text Alternative (Chapter 13)
546. Figure 13-9 Text Alternative (Chapter 13)
547. Ford believes in social media Graphic Text Alternative (Chapter 14)
548. Figure 15-1 Text Alternative (Chapter 15)
549. Figure 15-2 Text Alternative (Chapter 15)
550. Figure 15-3 Text Alternative (Chapter 15)
551. Figure 15-5 Text Alternative (Chapter 15)
552. Figure 15-7 Text Alternative (Chapter 15)
553. Figure 15-8 Text Alternative (Chapter 15)
554. test

Remarks

1. Interview with Mike Welling, president and brand strategist doug and serge agency, June 2013; interview with Norm Pickering, director of marketing, North America, Mucho Burrito, June 2012; Mucho Burrito Fresh Mexican Grill 2011 franchise brochure, accessed at www.muchoburrito.com/documents/Franchise_Brochure.pdf and www.muchoburrito.com/wp-content/uploads/MB_FranchiseBrochure_2011_WEB.pdf; Brianne Binelli, "In the News," *Foodservice World*, February 1, 2009, accessed at www.muchoburrito.com/media-center/news/02012009.php; Kelly Olive, "Much Burrito Goes Urban," Maverick PR, press release, January 18, 2012, accessed at www.maverickpr.com/blogs/latestnews/mucho-burrito-goes-urban; Jeff Beer, "Fast food: Invasion of the burger joints," *Canadian Business*, November 9, 2012, accessed at www.canadianbusiness.com/lifestyle/fast-food-invasion-of-the-burger-joints/; "Mucho Burrito launches epicurean tacos: la Taqueria Trio," Maverick Public Relations, press release, accessed at Reuters at www.reuters.com/article/2013/03/18/idUSnCCNrwbDMa+1c6+MKW20130318; Amritraj Gupta, "Mucho Burrito—Ghost Pepper Burrito Poster," About.me, accessed at www.artraj.com/folio/?projects=mucho-burrito; "Mucho Burrito Introduces the Ghost Pepper to Canadian Heat-Seekers," Maverick Public Relations, press release, September 24, 2012, accessed at Market Wired at www.marketwire.com/press-release/mucho-burrito-introduces-the-ghost-pepper-to-canadian-heat-seekers-1704620.htm; Jordan Twiss, "Mucho Burrito does a taco tango," *Strategy Online*, May 26, 2013, accessed at http://strategyonline.ca/2013/03/26/mucho-burrito-does-a-taco-tango/; Jonathon Paul, "Mucho Burrito launches first ad effort," *Strategy Online*, August 3, 2011, accessed at http://strategyonline.ca/2011/08/03/mucho-burrito-launches-first-ad-effort/; Jonathon Paul, "Mucho Burrito bows spicy ad effort," *Strategy Online*, August 31, 2011, accessed at http://strategyonline.ca/2011/08/31/mucho-burrito-bows-spicy-ad/; "Mucho Burrito Selects the 'SAMY' Mobile Marketing and Engagement Solution in Celebration of Cinco de Mayo," Yahoo Finance, press release, May 6, 2013, accessed at " http://finance.yahoo.com/news/mucho-burrito-selects-samy-mobile-153356234.html; Wendy Leung, "How fancy can fast food get?" *Globe and Mail*, August 23, 2012, accessed at http://m.theglobeandmail.com/life/food-and-wine/food-trends/how-fancy-can-fast-food-get/article567669/?service=mobile.

2. StatsCounter Global Stats for Jan 2013–Jan 2014, accessed at http://gs.statcounter.com/#search_engine-CA-monthly-201301-201401-bar.

3. Stan Schroeder, "Google Sets Up Person Finder and Relief Map for Typhoon Haiyan," *Mashable*, November 11, 2013, accessed at http://mashable.com/2013/11/11/google-tools-typhoon-yolanda/; Affan Chowdhry, "How typhoon survivors and Filipino expats are trying to connect," *Globe and Mail*, November 12, 2013, accessed at www.theglobeandmail.com/news/world/how-typhoon-survivors-and-filipino-expats-are-trying-to-connect/article15387907/; Google, Typhoon Yolanda, Philippines, November 2013, accessed at www.google.org/crisisresponse/2013-yolanda/index.html.

4. NRF Stores, "2013 Top 100 Retailers," accessed at www.stores.org/2013/Top-100-Retailers; AmazonPrime Canada, accessed at www.amazon.ca/gp/prime and AmazonPrime in the US accessed at www.amazon.com/Amazon-Services-LLC-Prime/dp/B00DBYBNEE.

5. Adapted from "Marketing," Business Dictionary website, 2010, accessed at www.businessdictionary.com/definition/marketing.html.

6. Steve Ladurantaye and Susan Krashinsky, "'Let's Talk' campaign a boost for mental health and Bell," *Globe and Mail*, February 14, 2013, accessed at www.theglobeandmail.com/report-on-business/industry-news/marketing/lets-talk-campaign-a-boost-for-mental-health-and-bell/article8644553/; Niamh Scallan, "Clara Hughes: 'I want to erase the stigma' of mental health issues," *Toronto Star*, February 12, 2013, accessed at www.thestar.com/news/gta/2013/02/12/clara_hughes_i_want_to_erase_the_stigma_of_mental_health_issues.html; "'Let's Talk' day puts mental health in the spotlight," *Globe and Mail*, January 28, 2014 accessed at www.theglobeandmail.com/life/health-and-fitness/health/20-million-tweets-and-counting-bells-lets-talk-day-puts-mental-health-in-the-spotlight/article16542407/; Bell Let's Talk, accessed at http://letstalk.bell.ca/en/; "109,451,718 tweets, texts, calls and shares: Thank you Canada for another record setting Bell Let's Talk Day!" CNW, news release, January 29, 2014, accessed at www.newswire.ca/en/story/1296879/109-451-718-tweets-texts-calls-and-shares-thank-you-canada-for-another-record-setting-bell-let-s-talk-day; Sasha Nagy, "It's Wrong to Hate the "Bell" in Bell Let's Talk Day," *Huffington Post Living Canada*, January 29, 2014, accessed at www.huffingtonpost.ca/sasha-nagy/bell-lets-talk-day_b_4689983.html .

7. "Scene adds Milestones Grill + Bar to its Points Program Menu," Marketwire, news release, March 30, 2010, accessed at www.marketwire.com/press-release/SCENE-Adds-Milestones-Grill-Bar-to-its-Points-Program-Menu-1139906.htm
.

8. American Marketing Association, Marketing Power Resource Library, Dictionary, June 2010, accessed at www.marketingpower.com/_layouts/dictionary.aspx?dLetter=M .

9. Philip Kotler, Gary Armstrong, and Peggy H. Cunningham, *Principles of Marketing*, Seventh Canadian Edition (Toronto: Pearson, 2008).

10. "Good For Business: Corporate Social Responsibility Report 2010," *Maclean's*, June 4, 2010, accessed at www2.macleans.ca/2010/06/14/jantzi-macleans-csr-report-2010; BMO Financial Group, "2013 Corporate Responsibility Report," accessed at www.bmo.com/home/about/banking/corporate-responsibility/our-approach/reporting#cr .

11. "Top 50 Socially Responsible Companies 2013," *Maclean's* and Sustainalytics, accessed at www2.macleans.ca/canada-top-50-socially-responsible-corporations-2013/; "Tim Hortons Sustainability and Responsibility 2012 Performance Report," accessed at http://sustainabilityreport.timhortons.com/pdf/performance_summary_2012.pdf .

12. "Top 50 Socially Responsible Companies 2013," *Maclean's* and Sustainalytics, accessed at www2.macleans.ca/canada-top-50-socially-responsible-corporations-2013/ .

13. Adapted from "Definition of Business Sustainability," *Financial Times Lexicon*, accessed at http://lexicon.ft.com/term?term=business-sustainability .

14. "Simon Creet on social marketing," *Globe and Mail Report on Business*, June 4, 2009, accessed at www.theglobeandmail.com/report-on-business/article1133378.ece; "Cadbury Inspires Canadians to Make the World a Better Place, One Bicycle at a Time," Marketwire, news release, April 16, 2009, accessed at www.marketwire.com/press-release/Cadbury-Inspires-Canadians-to-Make-the-World-a-Better-Place-One-Bicycle-at-a-Time-975667.htm; The Bicycle Factory website, June 2010, April 2011, February 2014, accessed at www.thebicyclefactory.ca/Landing.aspx; Katherine Dorell, "Hope, Survival, Freedom," *Canadian Living*, May 2010, pp. 93–96; The Bicycle Factory Facebook page, February 2014, accessed at www.facebook.com/BicycleFactory .

15. "The Mobile Marketing Roadmap: How Mobile is Transforming Marketing for Targeting Next Generation Consumers," Mobile Marketing Association, accessed December 2013, at http://www.mmaglobal.com/ .

16. "Mobile Future in Focus 2013," comScore, February 2013, accessed at www.comscore.com/ .

17. "2013 Canada Digital Future in Focus," comScore, March 2013, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2013/2013_Canada_Digital_Future_in_Focus; "2014 Canada Digital Future in Focus," comScore, April 2014, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2014/2014_Canada_Digital_Future_in_Focus .

18. Cross Media Reach and Time Spent 2013, RTS data, TVB Canada, November 2013, accessed at www.tvb.ca/pages/RTS .

19. "Real-time Marketing is Madison Avenues's Next Big Challenge," *The Economist Group*, March 21, 2013, accessed at www.economistgroup.com/leanback/social-media/real-time-marketing-is-madison-avenues-next-big-challenge/; Steve Hall, "7 Steps to Becoming a World-Class Real-Time Marketer," *HubSpot* blog, March 26, 2013, accessed at http://blog.hubspot.com/how-to-be-a-world-class-real-time-marketer; Rebecca Lieb, "7 Inspiring Examples of Real-Time Marketing in Action," *HubSpot* blog, October 12, 2012, accessed at http://blog.hubspot.com/blog/tabid/6307/bid/33696/7-Inspiring-Examples-of-Real-Time-Marketing-in-Action.aspx .

20. Jennifer Rooney, "Behind the Scenes of Oreo's Real-Time Super Bowl Slam Dunk," *Forbes*, February 4, 2013, accessed at www.forbes.com/sites/jenniferrooney/2013/02/04/behind-the-scenes-of-oreos-real-time-super-bowl-slam-dunk/; Ryan Caligiuri, "Four ways to build on Oreo's winning Super Bowl marketing play," *Globe and Mail*, February 15, 2013, accessed at www.theglobeandmail.com/report-on-business/small-business/sb-marketing/advertising/four-ways-to-build-on-oreos-winning-super-bowl-marketing-play/article8616201/; Gian LaVecchia, "Oreo's 'Dunk in the Dark' Strategy and the Future of Real-Time Marketing," *Fast Company*, April 18, 2013, accessed at www.fastcompany.com/3008486/oreos-dunk-dark-strategy-and-future-real-time-marketing; Brian Morrissey, "The 5 Best Real-Time Marketing Moments of the Super Bowl," *Digiday,* February 2, 2014, accessed at http://digiday.com/brands/best-real-time-marketing-super-bowl/; Megan Buerger, "Who Won (and Lost) the Social Media Ad Super Bowl?" *Wall Street Journal*, February 3, 2014, accessed at http://blogs.wsj.com/speakeasy/2014/02/03/who-won-and-lost-the-social-media-ad-super-bowl/ .

21. "What is Content Marketing?" Content Marketing Institute, accessed at http://contentmarketinginstitute.com/what-is-content-marketing/; "Content Marketing: Harnessing the Power of Content to Fuel Your Brand," American Marketing Association, events, April 2013, brochure accessed at www.marketingpower.com/Calendar/Documents/FY13%20Training%20Series/Q4/ContentMarketing_Apr_Brochure.pdf .

22. "MMA Updates Definition of Mobile Marketing," accessed December 2013 at www.mmaglobal.com/node/11102 .

23. David Moth, "How Red Bull uses Facebook, Twitter, Pinterest and Google+," *Econsultancy* blog, February 21, 2013, accessed at http://econsultancy.com/blog/62178-how-red-bull-uses-facebook-twitter-pinterest-and-google; Nate Smitha, "Brand Profile: Red Bull's Cross-Channel Success," *Simply Measured* blog, April1, 2013 accessed at http://simplymeasured.com/blog/2013/04/11/brand-profile-red-bulls-cross-channel-success .

24. "2000 visitors tour Street House," Raising the Roof, news update, summer 2012, accessed at www.raisingtheroof.org/RaisingTheRoof/media/RaisingTheRoofMedia/Documents/RTR_News_Summer2012_Web.pdf; "Leo Burnett and Raising the Roof see great potential in homeless youth," Leo Burnett, press release, February 24, 2011, accessed at www.raisingtheroof.org/RaisingTheRoof/media/RaisingTheRoofMedia/Documents/Releases/Ad-Campaign-Media-Release.pdf; Raising the Roof website, accessed at www.raisingtheroof.org/; "Cardboard house on King Street promises tour of a different kind," Raising the Roof, media release, May 24, 2012, accessed at, www.raisingtheroof.org/RaisingTheRoof/media/RaisingTheRoofMedia/MediaRelease-StreetHouse-May2011.pdf; Leo Burnett Worldwide, "Raising the Roof—The Street House," YouTube video, September 12, 2012, accessed at www.youtube.com/watch?v=WRLqs8dokHc&list=PL3IbgymsTKo68VHl1NR-eJeaw-fOrXiEd; "A Cardboard Installation to Raise Awareness of Homelessness: The Street House," CBC, *George Stroumbouloupolos Tonight*, May 25, 2012, accessed at www.cbc.ca/strombo/news/seeing-how-the-homeless-live-the-street-house.html; "The Street House – a tour of a different kind," Raising the Roof, news release, May 25, 2012, accessed at www.raisingtheroof.org/News-and-Events/News/The-Street-House-%E2%80%93-a-tour-of-a-different-kind.aspx .

25. "Top 10 Ways to Use Chatter," Salesforce.com, accessed at www.salesforce.com/chatter/overview/top10ways/; "Burberry builds deeper customer connections, from the runway to the retail store," Salesforce.com,

accessed at www.salesforce.com/customers/stories/burberry.jsp; "Duha Group Innovates by Inviting Their Customers into Their Manufacturing Process Using Salesforce," Salesforce.com, accessed at www.salesforce.com/ca/customers/stories/duha.jsp; "G Adventures Explores New Customer Experiences with Salesforce," Salesforce.com , accessed at www.salesforce.com/ca/customers/stories/gadventures.jsp .

26. "Partnership Marketing Seminar—Part 1," CMA website, June 2010, accessed at www.the-cma.org/?WCE=C=47|K=229840; Rod Kurtz, "Effective Affinity Marketing Programs," *Bloomberg BusinessWeek*, October 8, 2007, accessed at www.businessweek.com/smallbiz/tips/archives/2007/10/effective_affinity_marketing_programs.html .

27. Sean B. Pasternak, "Scotiabank Adds 100,000 New Accounts in SCENE Loyalty Program," *Bloomberg*, July 24, 2008, accessed at www.bloomberg.com/apps/news?pid=newsarchive&sid=az7BZ9e5b5CE .

28. "Telus Case Study," Ontario Science Centre website, June 2010, accessed at www.ontariosciencecentre.ca/sponsor/partners/telus.asp .

29. "Tougher consumer protection bill lauded," CBC News, June 10, 2010, accessed at www.cbc.ca/consumer/story/2010/06/10/con-consumer-bill-reax.html; "Federal consumer protection bill unveiled," CBC News, June 9, 2010, accessed at www.cbc.ca/consumer/story/2010/06/09/con-consumer-legislation.html; Tony Van Alphern and Dana Flavelle, "Toyota's troubles an example of consumer safety power," *Toronto Star*, February 20, 2010, accessed at www.thestar.com/news/insight/article/767771--toyota-s-troubles-an-example-of-consumer-safety-power .

1. Personal interview with Mohammed Asaduallah, founder and CEO GrapeTrail Inc., February 2014; "Per capita Canadian wine consumption now 15 litres a year," Canadian Press and CBC News, January 22, 2013, accessed at www.cbc.ca/news/business/story/2013/01/22/business-wine-canada.html; "Canada's Wine Consumption us Growing," CNW Canada Newswire, press release, February 17, 2011, accessed at www.newswire.ca/en/story/749099/canada-s-wine-consumption-is-growing; Benjamin Travis, "Android vs. iOS: User Differences Every Developer Should Know," comScore, March 6, 2013, accessed at www.comscore.com/esl/Insights/Blog/Android_vs_iOS_User_Differences_Every_Developer_Should_Know; Neil Hughes, "New study shows iPhone users to be in a class by themselves," *AppleInsider*, June 12, 2009, accessed at http://appleinsider.com/articles/09/06/12/new_study_shows_iphone_users_to_be_in_a_class_by_themselves .

3. Statistics Canada, "Population size and growth in Canada: Key results from the 2016 Census," *The Daily*, February 8, 2017, http://www.statcan.gc.ca/daily-quotidien/170208/dq170208a-eng.htm?HPA=1.

4. Statistics Canada, "Age and sex, and type of dwelling data: Key results from the 2016 Census," *The Daily*, May 3, 2017, http://www.statcan.gc.ca/daily-quotidien/170503/dq170503a-eng.htm?HPA=1.

Statistics Canada (2015) Canada's population estimates: Age and sex, July 1, 2015. Available at http://www.statcan.gc.ca/daily-quotidien/150929/dq150929b-eng.pdf (accessed Feb 2017)

21. Statistics Canada, *The Daily*, "Canada's Population Estimates: Age and sex, July 1, 2019," September 30, 2019, www150.statcan.gc.ca/n1/daily-quotidien/190930/dq190930a-eng.htm.

6. Ibid.

"Census in Brief: Generations in Canada, Age and Sex, 2011 Census," Statistics Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.pdf; "Generations in Canada," Statistics Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.cfm .

9. "Canadian Baby Boomers Testing the Waters of New Technology," Ipsos, November 20, 2012, accessed at www.ipsos-na.com/news-polls/pressrelease.aspx?id=5903 .

9. Statistics Canada, "Population Estimates on July 1st, by age and sex," Table 17-10-0005-01, accessed July 2020 at https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000501; Doug Norris, "Millennials: The Generation Du Jour [Blog post]," Environics Analytics, January 22, 2016, accessed July 2020 at https://environicsanalytics.com/resources/blogs/ea-blog/2016/01/22/millennials-the-generation-du-jour.

11. "Getting Inside Gen Y," *American Demographics*, September 2001, p. 44.

27. Doug Norris, "Millennials"; Statistics Canada, "A generational portrait of Canada's aging population from the 2021 Census," www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021003/98-200-X2021003-eng.cfm (accessed November 8, 2022).

14. "Census in Brief: Generations in Canada, Age and Sex, 2011 Census," Statistics Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.pdf; "Generations in Canada," Statistics in Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-311-x/98-311-x2011003_2-eng.cfm .

17. Statistics Canada, "Population size and growth in Canada: Key results from the 2016 Census."

18. Statistics Canada, "Canada's population estimates: Age and sex, July 1, 2019."

19. Statistics Canada, "Study: A look at immigration, ethnocultural diversity and languages in Canada up to 2036, 2011 to 2036," *The Daily*, January 25, 2017, http://www.statcan.gc.ca/daily-quotidien/170125/dq170125b-eng.htm.

19. "Figure 1: Number of Canadians whose mother tongue is one of the 22 immigrant languages reported by more than 100,000 persons, Canada, 2011," Statistics Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-314-x/2011003/fig/fig3_2-1-eng.cfm; "Census in Brief, Immigrant Languages in Canada, Language, 2011 Census of Population," Statistics Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-314-x/98-314-x2011003_2-eng.pdf; "Linguistic Characteristics of Canadians," Statistics Canada, accessed at www12.statcan.gc.ca/census-recensement/2011/as-sa/98-314-x/98-314-x2011001-eng.cfm; "An overview of language data, 2011 Census," Statistics Canada, October 24, 2012, accessed at http://youtu.be/BFpS6h3t2yA .

20. "European population compared with world population," European Commission, November 2012 data, accessed at http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/European_population_compared_with_world_population .

34. Statistics Canada, "Families, households, and marital status: Key results from the 2016 Census," *The Daily*, August 2, 2017, www.statcan.gc.ca/daily-quotidien/170802/dq170802a-eng.htm.

22. Gregor Smith, "The Impact of Connected Devices on Consumer Behaviour," comScore, Mobile World Congress presentation, February 2013, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2013/The_Impact_of_Connected_Devices_on_Consumer_Behavior; Brent Bernie, "Brave New Digital World—What media measurement business must address," comScore, IAB Canada Mixx presentation, March 21, 2013.

23. James Russo and Carman Allison, "What's in Store 2013 Think Small for Big Results," Nielsen, accessed April 2013 at www.nielsen.com/ca/en/news-insights/reports-downloads/2013/webinar--what-s-in-store--think-small-for-big-results.html .

24. "2013 Canada Digital Future in Focus," comScore, March 2013, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2013/2013_Canada_Digital_Future_in_Focus .

25. "To Binge or Not to Binge, That is the Question," SRG, March 7, 2013, accessed at www.srgnet.com/index.php/2013/03/07/to-binge-or-not-that-is-the-question/; "New Stars, Channels Increase YouTube's Popularity," SRG, March 29, 2013, accessed at www.srgnet.com/2013/03/29/new-stars-channels-increase-youtubes-popularity/; "More than a Quarter of Online Canadians are 'Social TV' Viewers," SRG, November 11, 2012, accessed at www.srgnet.com/index.php/2012/11/11/more-than-a-quarter-of-online-canadians-are-social-tv-viewers/ .

26. "Canadian Food Trends to 2020," *Agriculture and Agri-Food Canada*, February 24, 2009, accessed at www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1170944121865&lang=eng .

27. Beth Hoffman, "How 'Millennials' Are Changing Food as We Know It," *Forbes*, September 4, 2012, accessed at www.forbes.com/sites/bethhoffman/2012/09/04/how-millenials-are-changing-food-as-we-know-it/ .

28. mySupermarket website, April 2013, accessed at http://mysupermarket.co.uk/; Kristopher Kubicki, "For Grocers, After Years of Shunning Internet, Digital Starts to Click," *AdAge* dataworks, March 18, 2013, accessed at http://adage.com/article/data-at-work/u-s-grocers-stop-shunning-internet-finally-embrace-digital/240371/; "Food trends to watch in 2013," *Canadian Grocer*, October 24, 2012, accessed at www.canadiangrocer.com/top-stories/food-trends-to-watch-in-2013-17136 .

29. SupperWorks website, April 2013, accessed at www.supperworks.com .

30. Pamela L. Ramage-Morin and Didier Garriguet, "Nutritional risk among older Canadians," Statistics Canada, March 2013, accessed at www.statcan.gc.ca/pub/82-003-x/2013003/article/11773-eng.pdf; Karen C. Roberts, Margot Shields, Margaret de Groh, Alfred Aziz, Joanne Gilbert, "Overweight and obesity in children and adolescents: Results from the 2009–2011

Canadian Health Measures Survey," Statistics Canada, August 2012, accessed at www.statcan.gc.ca/pub/82-003-x/2012003/article/11706-eng.pdf .

31. "An Analysis of Consumer Health Apps for Apple's iPhone 2012," *MobiHealthNews*, accessed April, 2013 at http://mobihealthnews.com/research/an-analysis-of-consumer-health-apps-for-apples-iphone-2012/; Jonathon Kantor, "Happtique Launches mRx; Pilot Program," *Happtique* blog, August 19, 2012, accessed at http://blog.happtique.com/blog/bid/214860/; Dave Chase, "Prescribable Mobile Apps Huge Threat for Pharma," *Forbes*, April 14, 2012, accessed at www.forbes.com/sites/davechase/2012/05/14/prescribable-mobile-apps-huge-threat-for-pharma/; "10 Trends for 2013," trendwatching.com , accessed at www.trendwatching.com/trends/10trends2013/ .

32. "Standards Matter 2011 – 2012 Annual Report," Advertising Standards Canada, accessed April 2013 at www.adstandards.com/en/AboutASC/2012AnnualReport.pdf; "Canadian Children's Food and Beverage Advertising Initiative," Advertising Standards Canada, accessed April 2013 at www.adstandards.com/en/childrensinitiative/default.htm; "Canadian Children's Food and Beverage Advertising Initiative Year One Compliance Report," Advertising Standards Canada, accessed April 2013 at www.adstandards.com/en/childrensinitiative/yearOneComplianceReport.pdf; "Canadian Children's Food and Beverage Advertising Initiative 2009 Compliance Report," Advertising Standards Canada, accessed April 2013 at www.adstandards.com/en/childrensinitiative/2009ComplianceReport.pdf; "Canadian Children's Food and Beverage Advertising Initiative 2010 Compliance Report," Advertising Standards Canada, accessed April 2013 at www.adstandards.com/en/childrensinitiative/2010ComplianceReport.pdf; "Canadian Children's Food and Beverage Advertising Initiative 2011 Compliance Report," Advertising Standards Canada, accessed April 2013 at www.adstandards.com/en/childrensinitiative/2011ComplianceReport.pdf .

33. "Kruger report looks at green consumers, and how to help them," *Canadian Grocer*, September 26, 2012, accessed at www.canadiangrocer.com/top-stories/kruger-report-looks-at-green-consumers-and-how-to-help-them-16077; Paulette S. Padanyi, "Helping Canadian Households Achieve Their Sustainability Goals," Kruger Products White Paper, accessed at http://bppgcreative.ca/pdfs/g/SustainabilityGoals.pdf .

34. "A Greener Tomorrow Starts Today," Canadian Tire, accessed April 2013 at www.canadiantire.ca/AST/browse/Green.jsp?locale=en&bmLocale=en; ECOLOGO website, accessed April 2013 at www.ecologo.org/en/ .

35. Carly Weeks, "The drive to go green—saving the environment or money?" *Globe and Mail*, March 14, 2011, accessed at www.theglobeandmail.com/life/health-and-fitness/the-drive-to-go-green---saving-the-environment-or-money/article572773/; "Households and the Environment Survey, 2011," Statistics Canada, March 18, 2013, accessed at www.statcan.gc.ca/daily-quotidien/130318/dq130318b-eng.pdf; "Synovate Survey Reveals Latest Green Habits and Consumption Across the World," Ipsos, April 7, 2011, accessed at www.ipsos-na.com/news-polls/pressrelease.aspx?id=5480 .

36. "Does Gender Matter?" Newswire Nielsen Global, March 8, 2013, accessed at www.nielsen.com/us/en/newswire/2013/does-gender-matter-.html; Andrea Gordon, "Grocery stores targeting male shoppers," *Toronto Star*, November 30, 2011, accessed at www.thestar.com/life/2011/11/30/grocery_stores_targeting_male_shoppers.html .

37. Nielsen, "Consumer Confidence: A Canadian Perspective, Q4 2012," accessed April 2013 at www.nielsen.com/content/dam/nielsen/en_ca/documents/pdf/reports/Consumer-Confidence%20-%20A-Canadian-Perspective-Q4-2012.pdf .

38. Scott Deveau, "'Year of the truck' pushes Canadian auto sales to record in 2013," *National Post*, January 4, 2014, accessed at http://business.financialpost.com/2014/01/03/chrysler-december-auto-sales/; Dana Flavelle, "Auto sales hit new high in Canada," *Toronto Star*, January 3, 2014, accessed at www.thestar.com/business/2014/01/03/auto_industry_headed_for_yearend_high.html; Associated Press, "2013 auto sales up 4% in Canada, 8% in U.S.," CBC, January 3, 2014, accessed at www.cbc.ca/news/business/2013-auto-sales-up-4-in-canada-8-in-u-s-1.2483065; Alastair Sharp, "Canada auto sales best ever in 2013, Ford still tops," Reuters, January 4, 2014, accessed at http://ca.reuters.com/article/businessNews/idCABREA020OS20140104 .

39. "OECD says Canada to lead G7 in growth for next 50 years," CBC News, November 9, 2012, accessed at www.cbc.ca/news/business/story/2012/11/09/oecd-canada-growth.html; "Canada to face period of weak economic growth: OECD," Canadian Press, March 11, 2013, accessed at www.ctvnews.ca/business/canada-to-face-period-of-weak-economic-growth-oecd-1.1191243 .

40. The Bensimon Byrne Consumerology Report: Technology and Canadian Consumers, January 2010, accessed at www.consumerology.ca .

41. Gregor Smith, "The Impact of Connected Devices on Consumer Behaviour," comScore, February 2013, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2013/The_Impact_of_Connected_Devices_on_Consumer_Behavior; "2013 Canada Digital Future in Focus," comScore, March 2013, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2013/2013_Canada_Digital_Future_in_Focus .

42. Aidan Foster, "Responsive Web Design: What is it and why should I care?" *Responsive Web Design* blog, February 12, 2012, accessed at http://responsivedesign.ca/blog/responsive-web-design-what-is-it-and-why-should-i-care; Pete Cashmore, "Why 2013 is the year of Responsive Web Design," *Mashable*, December 11, 2012, accessed at http://mashable.com/2012/12/11/responsive-web-design/ .

43. "The Ipsos Canadian inter@ctive Reid Report 2012 Fact Guide," Ipsos, accessed April, 2012 at www.ipsos.ca/common/dl/pdf/Ipsos_InteractiveReidReport_FactGuide_2012.pdf .

44. "Retailers in Canada Make Strides in the Ecommerce Channel," *eMarketer*, October 19, 2012, accessed at www.emarketer.com/Article/Retailers-Canada-Make-Strides-Ecommerce-Channel/1009427; "Canada Grabs Greater Share of Ecommerce sales in North America," *eMarketer*, September 7, 2012, accessed at www.emarketer.com/Article/Canada-Grabs-Greater-Share-of-Ecommerce-Sales-North-America/1009328 .

45. "The Ipsos Canadian inter@ctive Reid Report 2012 Fact Guide," Ipsos, accessed April, 2012 at www.ipsos.ca/common/dl/pdf/Ipsos_InteractiveReidReport_FactGuide_2012.pdf .

46. "Canadian Teens Increasingly Paying for Music Downloads," Ipsos, March 2012, accessed at www.ipsos-na.com/news-polls/pressrelease.aspx?id=5537 .

47. Michael Oliveira,"Report looks at 'tuned out' Canadians who don't pay for TV, mostly stream video," *Canadian Business*, April 3, 2013, accessed at www.canadianbusiness.com/business-news/report-looks-at-tuned-out-canadians-who-dont-pay-for-tv-mostly-stream-video/ .

48. "More Canadians "tuning out" conventional TV: report," *Marketing*, April 3, 2013, accessed at www.marketingmag.ca/news/media-news/more-canadians-tuning-out-conventional-tv-report-75618?P=75618?Utm; "Take two tablets and watch last night's TV show in the morning," Deloitte, January 17, 2012, accessed

at www.deloitte.com/view/en_CA/ca/pressroom/ca-pressreleases-en/cd1c728f536e4310VgnVCM3000001c56f00aRCRD.htm .

49. "New Stars, Channels Increase YouTube's Popularity," SRG, March 29, 2013, accessed at www.srgnet.com/index.php/2013/03/29/new-stars-channels-increase-youtubes-popularity .

50. "TMT Predictions 2013," Deloitte Canada, January 15, 2013, accessed at www.deloitte.com/view/en_CA/ca/industries/tmt/tmt-predictions-2013/index.htm; "TMT Predictions 2013 Insights. In advance," Deloitte, accessed April 2013 at www.deloitte.com/assets/Dcom-Canada/Local%20Assets/Documents/TMT/ca_en_tmt_canadian_predictions_2013_011513.pdf .

51. "Close to Half of Canadians Now Own a Smartphone," Ipsos, February 21, 2013, accessed at www.ipsos-na.com/news-polls/pressrelease.aspx?id=6005; "The Mobile Marketing Roadmap: How Mobile is Transforming Marketing for Targeting Next Generation Consumers," Mobile Marketing Association, accessed December 2013, at www.mmaglobal.com; "Mobile Future in Focus 2013," comScore, February 2013, accessed at www.comscore.com; "2012 Cell Phone Consumer Attitudes Study," Canadian Wireless Telecommunications Association and Quorus Consulting Group, April 23, 2012, accessed at http://cwta.ca/wordpress/wp-content/uploads/2011/08/CWTA-2012ConsumerAttitudes1.pdf .

52. Betsy Frank, "Consumer and context with smartphones versus tablets," *Mobile Commerce Daily*, April 2, 2013, accessed at www.mobilecommercedaily.com/consumer-and-context-with-smartphones-versus-tablets; "Connected device usage diverges," WARC, April 3, 2012, accessed at www.warc.com/LatestNews/News/Connected_device_usage_diverges.news?ID=31219 .

53. Ibid.

Competition Bureau. Accessed at http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/home

55. "Competition Bureau Secures Over $9 Million and Money Back to Victims for Business Scam," Competition Bureau, March 2, 2012, accessed at www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03439.html; Ashley Weber, "Canadian court comes down hard on misleading business directory scam," Stikeman Elliott, March 15, 2012, accessed at www.thecompetitor.ca/2012/03/articles/competition/competition-bureau/canadian-

court-comes-down-hard-on-misleading-business-directory-scam/#more; "Competition Bureau Sues to Shut Down Business Directory Scam," Competition Bureau, July 28, 2011, accessed at www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03394.html .

56. Tamara Baluja, "OMG: They referenced the F-word on a billboard," *Globe and Mail*, March 22, 2011, updated August 23, 2012, accessed at www.theglobeandmail.com/news/toronto/omg-they-referenced-the-f-word-on-a-billboard/article1951865/; "Canadian Marketing, Advertising & Regulatory Law Update," *Heenan Blaikie*, September 2011, Issue 10, page 6, accessed at www.heenanblaikie.com/en/Publications/2011/Canadian-Marketing,-Advertising-Regulatory-Law-Update.pdf; "Ad Complaints Reports - Q2 2011," Advertising Standards Canada, accessed April 2012 at http://adstandards.com/en/Standards/adComplaintsReports.aspx?periodquarter=2&periodyear=2011 .

57. "Broadcast Advertising Basics: Revenue, Limits and Content," Consumers-Radio and Television—Advertising, Canadian Radio-television and Telecommunications Commission, February 18, 2010, accessed at www.crtc.gc.ca/eng/info_sht/b300.htm .

58. "CRTC announces that Bell Canada has paid a $1.3 million penalty for violating the National Do Not Call List Rules," Canadian Radio-television and Telecommunications Commission, news release, December 20, 2010, accessed at www.crtc.gc.ca/eng/com100/2010/r101220.htm; "In settlement with the CRTC, Comwave Telenetworks Inc. agrees to stop violating the do not call rules and pays $100,000," Canadian Radio-television and Telecommunications Commission, news release, April 3, 2012, accessed at www.crtc.gc.ca/eng/com100/2013/r130403.htm .

59. "The CRTC Wireless Code," The Canadian Radio-television and Telecommunications Association, accessed December 2013 at www.crtc.gc.ca/eng/info_sht/t13.htm; "CRTC wireless code comes into force: Canadians can cancel their contracts without penalty after two years," Canadian Radio-television and Telecommunications Association, news release, December 2, 2013, accessed at http://crtc.gc.ca/eng/com100/2013/r131202.htm#.UqMX0MRDuSo .

67. Canadian Wireless Telecommunications Association (CWTA) website, accessed May 2016 at http://cwta.ca.

62. Jason Kerr, "Text Messaging in Canada," Canadian Wireless Telecommunications Association; "Canadian Common Short Code Application Guidelines Version 2.2," Canadian Wireless Telecommunications Association, August 9, 2012, accessed at www.txt.ca/english/business/doc/Canadian%20Common%20Short%20Code%20Application%20Guidelines.pdf; "Canada standard rate short code pricing," Clickatell, November 18, 2010, accessed at www.clickatell.com/downloads/Clickatell_Canadian_Shortcode_pricing_revenue_share.pdf .

69. "About Us," Mobile Marketing Association, accessed June 2016 at www.mmaglobal.com/about.

65. "Payment processor for scareware cyber crime ring sentenced to 48 months in prison," FBI, Seattle division, December 4, 2012, accessed at www.fbi.gov/seattle/press-releases/2012/payment-processor-for-scareware-cyber-crime-ring-sentenced-to-48-months-in-prison; Leon Erlanger, "Happy Halloween! Defence against scareware and randsomeware," McAfee blog, October 30, 2012, accessed at http://blogs.mcafee.com/security-connected/happy-halloween-defense-against-scareware-and-ransomware; "Scareware" scam warning," Canadian Anti-Fraud Centre, accessed June 2013 at www.antifraudcentre-centreantifraude.ca/english/Scareware.html; Jody Porter, "Scam locks up computers, accuses users of downloading porn," CBC News, February 21, 2013, accessed at www.cbc.ca/news/technology/story/2013/02/20/hamilton-scareware-child-porn-scam.html?cmp=rss; "Computer porn 'scareware' seen in Canada," UPI, April 20, 2012, accessed at www.upi.com/Top_News/World-News/2012/04/20/Computer-porn-scareware-seen-in-Canada/UPI-96431334934804/ .

70. "Fact Sheets, Privacy Legislation in Canada," Office of the Privacy Commissioner of Canada, www.priv.gc.ca/resource/fs-fi/02_05_d_15_e.asp (accessed May 2016); Minister of Justice, *Privacy Act* as amended April 2016, http://laws-lois.justice.gc.ca/PDF/P-21.pdf and http://laws-lois.justice.gc.ca/eng/acts/P-21/index.html (accessed May 2016).

68. "Canada's Anti-Spam Legislation, Fast Facts," accessed February 2014 at http://fightspam.gc.ca/eic/site/030.nsf/eng/h_00039.html; "Canada's Anti-Spam Law Casts a Wide Net – Requires All Organizations to Take Action," Osler, Hoskin & Harcourt LLP, January 2014, accessed at www.osler.com/uploadedFiles/Expertise/Areas_of_Expertise/Areas_Of_Practice/Privacy_Law/CASL-Canada%E2%80%99s-Anti-Spam-Law-Casts-a-Wide-Net.pdf; Canada's Anti-Spam Legislation website, accessed February 2014 at

http://fightspam.gc.ca/eic/site/030.nsf/eng/home; "Canada's anti-spam legislation," Canadian Radio-television and Telecommunication Commission, accessed February 2014 at www.crtc.gc.ca/eng/casl-lcap.htm; Bernice Karn, Christopher Hersh, Imran Ahmad and Chad Matheson, "Canada: Canada's Anti-Spam Legislation Coming Into Force In 2014: Are You Ready?," Mondaq, December 6, 2013, accessed at www.mondaq.com/canada/x/279700/advertising+marketing+branding/Canadas+AntiSpam+Legislation+Coming+Into+Force+In+2014+Are+You+Ready; "CMA Guide to Canada's Anti-Spam Law (CASL)," Canadian Marketing Association, April2, 2014, accessed at http://www.the-cma.org/regulatory/code-and-guidelines/cma-guide-to-canada-anti-spam-law .

69. Adapted from Brenda Pritchard and Mathew Marinett, "Canada: Are you compliant? Online behavioural advertising in Canada, the US, and Europe," *Gowlings* blog, December 2012, accessed at http://m.gowlings.com/knowledgecentre/article.asp?pubID=2718

70. "New program gives consumers more online choice," Canadian Marketing Association, press release, September 2013, accessed at www.the-cma.org/newsroom/2013/new-program-gives-consumers-more-online-choice; Digital Advertising Alliance of Canada website, accessed February 2014 at http://youradchoices.ca/; "New Online Behavioural Advertising Guidelines Issued by the Federal Privacy Commissioner," *Gowlings* blog, December 2011, accessed at www.gowlings.com/KnowledgeCentre/article.asp?pubID=2599 .

71. "Canadian Marketing Association Guide to Promotional Contests," Canadian Marketing Association, May 2010, accessed from www.the-cma.org/?WCE=C=47|K=225856 .

72. Mohammed Asaduallah, founder and CEO GrapeTrail Inc., February 2014.

1. Personal Interview with Glenn Cressman, Chief Client Officer, Sherpa.McKim, October 2022.

2. Alan Walks, "Mapping the urban debtscape: The geography of household debt in Canadian cities," *Urban Geography,* April 29, 2013*, 34*(2), 153–187, doi:10.1080/02723638.2013.778647; Chris Sorensen, "Living beyond our means," *Maclean's*, March 22, 2014; Bryan Borzykowski, "Managing your debt-to-income ratio," *Maclean's*, November 19, 2012; Canada Country Profile, 2013, 1–82.

3. Jonathan Law, *A Dictionary of Business and Management* (5th ed.) (New York: Oxford University Press, 2009); Gordon C. Bruner II and Richard J. Pomazal,

"Problem Recognition: The Crucial First Stage of the Consumer Decision Process," *Journal of Consumer Marketing 5* (1988), pp. 53–63; and James F. Engel, Roger D. Blackwell, and Paul Miniard, *Consumer Behavior*, 9th ed. (Fort Worth, TX: Dryden Press, 1998).

4. For a thorough description of consumer expertise, see Joseph W. Alba and J. Wesley Hutchinson, "Knowledge Calibration: What Consumers Know and What They Think They Know," *Journal of Consumer Research 27* (2000), pp. 123–156. For in-depth studies on external information search patterns, see Sridhar Moorthy, Brian T. Ratchford, and Debabrata Tulukdar, "Consumer Information Search Revisited: Theory and Empirical Analysis," *Journal of Consumer Research 23* (1997), pp. 263–277; and Joel E. Urbany, Peter R. Dickson, and William L. Wilkie, "Buyer Uncertainty and Information Search," *Journal of Consumer Research 16* (1989), pp. 208–215.

6. Kristin Laird, "Reinventing retail," *Marketing*, March 28, 2013; "GroupM Next and Catalyst Release 'Showrooming in Canada' Report [news release]," *Wireless News*, March 8, 2013; Megan Haynes, "Who's showrooming, and how?" *Strategy,* May 15, 2013, http://strategyonline.ca/2013/05/15/whos-showrooming-and-how/.

7. For an extended discussion on evaluative criteria, see Del J. Hawkins, Roger J. Best, and Kenneth A. Coney, *Consumer Behavior*, 8th ed. (New York: Irwin/McGraw-Hill, 2001), pp. 566–83.

8. Caroline Rouen-Mallet, Pascale Ezan, and Stéphane Mallet, "Toward a deeper understanding of the choice process in child consumers through the concept of the evoked set," *Recherche et Applications en Marketing* (English Edition), 29(4) (2014), pp. 60–88, doi:10.1177/2051570714558169; Jochen Wirtz and Anna S. Mattila, "The effects of consumer expertise on evoked set size and service loyalty," *Journal of Services Marketing 17* (2003), pp. 649–665; John A. Howard, *Buyer Behavior in Marketing Strategy*, 2nd ed. (Englewood Cliffs, NJ: Prentice Hall, 1994), pp. 101, 128–89.

10. Peter Weill and Stephanie L. Woerner, "Optimizing your digital business model," *MIT Sloan Management Review*, March 19, 2013, pp. 71–78; Joerg Koenigstorfer and Andrea Groeppel-Klein, "Consumer acceptance of the mobile Internet," *Marketing Letters*, August 31, 2012, pp. 917–928; Sheena Leek and George Christodoulides, "Next-Generation Mobile Marketing: How Young Consumers React to Bluetooth-Enabled Advertising," *Journal of Advertising Research 49* (2009), pp. 44–53.

11. Nicole Fallon, "Why 'Webrooming' Could Bring Customers Back Into Stores," *Business News Daily*, June 9, 2014, www.businessnewsdaily.com/6565-webrooming-retail-stores.html; Adam Rapp, Thomas L. Baker, Daniel G. Bachrach, Jessica Ogilvie, and Lauren Skinner Beitelspacher, "Perceived customer showrooming behavior and the effect on retail salesperson self-efficacy and performance," *Journal of Retailing 91* (2015), 358–369; and Alan Wolf, "Best Buy Besting Walmart, Target at Showrooming," *TWICE*, July 7, 2013, www.twice.com/news/news/best-buy-besting-walmart-target-showrooming/42595.

12. Isabelle Goyette et al., "E-WOM Scale: Word-of-Mouth Measurement Scale for e-Services Context," *Canadian Journal of Administrative Sciences 27* (2010), pp. 5–23; Sun-Jung Moon, John P. Costello, and Dong-Mo Koo, "The impact of consumer confusion from eco-labels on negative WOM, distrust, and dissatisfaction," *International Journal of Advertising 36* (2016), pp. 246–271; Jagdish N. Sheth, Banwari Mitral, and Bruce Newman, *Consumer Behavior* (Fort Worth, TX: Dryden Press, 1999), p. 22.

13. Moti Salti, Imen El Karoui, Mathurin Maillet, and Lionel Naccache, "Cognitive Dissonance Resolution is Related to Episodic Memory," *PLoS One 9.9* (2014), e108579; Monika Koller and Thomas Salzberger, "Heterogeneous development of cognitive dissonance over time and its effect on satisfaction and loyalty," *Journal of Customer Behaviour 11* (2012), pp. 261–280; Thomas Salzberger and Monika Koller, "Investigating the impact of cognitive dissonance and customer satisfaction on loyalty and complaint behaviour," *REMark 9* (2010), pp. 5–16.

14. For an overview of research on involvement, see John C. Mowen and Michael Minor, *Consumer Behavior*, 6th ed. (Upper Saddle River, NJ: Prentice Hall, 2001), pp. 64–68; and Frank R. Kardes, *Consumer Behavior* (Reading, MA: Addison-Wesley, 1999), pp. 256–58.

15. For an overview on the three problem-solving variations, see Hawkins, Best, and Coney, *Consumer Behavior*, pp. 506–7; and Howard, *Buyer Behavior*, pp. 69–162.

9. E. Bay, "Making rising interest rates work in your favour, according to experts," *Global News*, September 16, 2022, accessed at https://globalnews.ca/news/9135836/rising-interest-rates-favour-experts/; D. Deveau, "An economist explains: What to know about a recession," *CPA Canada*, August 3, 2022, accessed at https://www.cpacanada.ca/en/news/canada/recession-explainer; S. Hughes, "Banks continuing to put faith in Canadian consumers, despite growing economic headwinds," *Financial Post*, August 30, 2022, accessed at

https://financialpost.com/fp-finance/banking/the-canadian-consumer-remains-resilient-despite-growing-economic-headwinds-say-big-banks

16. Nelson Barber, Tim Dodd, and Natalia Kolyesiknova, "Gender differences in information search: implications for retailing," *Journal of Consumer Marketing 26* (2009), pp. 415–426; Kenneth C. Gehrt and Ruoh-Nan Yan, "Situational, consumer, and retailer factors affecting internet, catalog, and store shopping," *International Journal of Retail & Distribution Management 32* (2004), pp. 5–18; Sydney Roslow, Tiger Li, and J.A.F. Nicholls, "Impact of situational variables and demographic attributes in two seasons on purchase behaviour," *European Journal of Marketing 34* (2000), pp. 1167–1180; Russell Belk, "Situational Variables and Consumer Behavior," *Journal of Consumer Research 2* (1975), pp. 157–163.

17. "Shopping As Therapy: Good Health Comes in Small Packages," *Discover Fit & Health*, http://health.howstuffworks.com/wellness/women/general/shopping-as-therapy.htm (accessed June 2011).

18. A. H. Maslow, *Motivation and Personality* (New York: Harper & Row, 1970).

19. "Brand Papers: Challenging Maslow," *Brand Strategy*, 2003; Francis Buttle, "The social construction of needs," *Psychology & Marketing,* September 15, 2006, p. 197.

20. Arthur Koponen, "The Personality Characteristics of Purchasers," *Journal of Advertising Research 1* (1960), pp. 89–92; Joel B. Cohen, "An Interpersonal Orientation to the Study of Consumer Behavior," *Journal of Marketing Research 4* (1967), pp. 270–78; and Rena Bartos, *Marketing to Women Around the World* (Cambridge, MA: Harvard Business School, 1989).

21. Michael R. Solomon, *Consumer Behavior*, 5th ed. (Upper Saddle River, NJ: Prentice Hall, 2002), p. 61.

22. "BMW Service and Warranties," BMW Canada website, accessed at www.bmw.ca/ca/en/owners/service/warranty/warranty_1.html.

23. Martin Fishbein and I. Aizen, *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research* (Reading, MA: Addison-Wesley, 1975), p. 6.

24. Richard J. Lutz, "Changing Brand Attitudes through Modification of Cognitive Structure," *Journal of Consumer Research 1* (1975), pp. 49–59; "Pepsi's Gamble Hits Freshness Dating Jackpot," *Advertising Age,* September 19, 1994, p. 50; and "Every Which Way to Color, Whiten, Brighten," *Brandweek*, June 17, 2002, p. 558.

25. "How many hours of sleep are enough?" Mayo Clinic website, www.mayoclinic.com/health/how-many-hours-of-sleep-are-enough/AN01487 (accessed September 2014).

26. "About VALS™ Types," *Strategic Business Insight*, accessed July 2013 at www.strategicbusinessinsights.com/vals/about.shtml.

27. Personal interview with Michael Weiss, chief marketing officer, Environics Analytics, July 2013.

28. "Maximizing the Market with Influentials," *American Demographics*, July 1995, p. 42; also see, "I'll Have What He's Having," *American Demographics,* July 2000, p. 22.

29. Representative recent work on positive and negative word of mouth can be found in Geok Theng Lau and Sophia Ng, "Individual and Situational Factors Influencing Negative Word-of-Mouth Behaviour," *Canadian Journal of Administrative Sciences 18* (2001), pp. 163–178; Robert E. Smith and Christine A. Vogt, "The Effects of Integrating Advertising and Negative Word-of-Mouth Communications on Message Processing and Response," *Journal of Consumer Psychology 4* (1995), pp. 133–151; Paula Bone, "Word-of-Mouth Effects on Short-Term and Long-Term Product Judgments," *Journal of Business Research 32* (1995), pp. 213–23; Chip Walker, "Word of Mouth," *American Demographics*, July 1995, pp. 38–45; and Dale F. Duhan, Scott D. Johnson, James B. Wilcox, and Gilbert D. Harrell, "Influences on Consumer Use of Word-of-Mouth Recommendation Sources," *Journal of the Academy of Marketing Science 25* (1997), pp. 283–295.

31. For an extended discussion on reference groups, see Wayne D. Hoyer and Deborah J. MacInnis, *Consumer Behavior*, 2nd ed. (Boston: Houghton Mifflin, 2001), chapter 15.

32. For an extensive review on consumer socialization of children, see Deborah Roedder John, "Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research," *Journal of Consumer Research 26* (1999), pp. 183–213.

33. This discussion is based on "The American Family in the 21st Century," *American Demographics*, August 2001, p. 20; and J. Paul Peter and Jerry C. Olson, *Consumer Behavior and Marketing Strategy*, 5th ed. (New York: Irwin/McGraw-Hill, 1999), pp. 341–43.

34. "Canadian households in 2011: Type and growth," Statistics Canada, September 2012, www12.statcan.gc.ca/census-recensement/2011/as-sa/98-312-x/98-312-x2011003_2-eng.pdf.

35. Diane Crispell, "Dual-Earner Diversity," *American Demographics*, July 1995, pp. 32–37.

36. "There She Is . . . ," *American Demographics*, August 2001, p. 6; "Wearing the Pants," *Brandweek*, October 20, 1997, pp. 20, 22; "Look Who's Shopping," *Progressive Grocer*, January 1998, p. 18.

37. Bridget Brennan, "Top 10 Things Everyone Should Know About Women Consumers," *Forbes*, January 21, 2015, www.forbes.com/sites/bridgetbrennan/2015/01/21/top-10-things-everyone-should-know-about-women-consumers/#7f28a29f2897; "Call It 'Kid-fluence,'" *U.S. News & World Report*, July 30, 2001, pp. 32–33; "Special Report: Superstars of Spending," *Advertising Age*, February 20, 2001, pp. S1, S10; Teen Research Unlimited, www.teenresearch.com, September 4, 2001.

38. "I.AM.Canadian by Molson," CBC Digital Archives, www.cbc.ca/archives/categories/economy-business/business/selling-suds-the-beer-industry-in-canada/i-am-canadian.html; and Susan Krashinsky, "I am Canadian, and so are they: Molson's new nationalist pitch," *Globe and Mail*, February 6, 2013, www.theglobeandmail.com/report-on-business/industry-news/marketing/i-am-canadian-and-so-are-they-molsons-new-nationalist-pitch/article8280376/.

30. L. Brehaut, "We may see the value in buying local food, but that doesn't mean we will open up our wallets: report," *National Post*, October 22, 2020, accessed at https://nationalpost.com/news/canada/we-may-see-the-value-in-buying-local-food-but-that-doesnt-mean-we-will-open-up-our-wallets-report; K. Pelc, "Conspicuous consumption can no longer be our economic engine," *Financial Times*, July 14, 2021, accessed at www.ft.com/content/29aadf7b-10c3-4a02-b70e-dc87c474fa9d; and "What Canadian consumers want: a retailer's guide to deciphering shoppers' shifting habits," PWC, June 2022, accessed at www.pwc.com/ca/en/industries/consumer-markets/consumer-insights-2022-june.html.

39. "French and the francophonie in Canada," Statistics Canada, October 2012, www12.statcan.gc.ca/census-recensement/2011/as-sa/98-314-x/98-314-x2011003_1-eng.cfm.

40. Danny Kucharsky, "French Lessons," *Marketing*, March 27, 2006, p. 8.

41. Ed Crain, "Say 'Oui' to the Quebec Market," *Electronic Retailer*, August 2010, www.electronicretailermag.com/er0810_quebec.

42. Rebecca Harris, "Embrace and Prosper," *Marketing*, January 23, 2006.

43. For comprehensive references on cross-cultural aspects of marketing, see Paul A. Herbig, *Handbook of Cross-Cultural Marketing* (New York: Halworth Press, 1998); and Jean-Claude Usunier, *Marketing across Cultures*, 2nd ed. (London: Prentice Hall Europe, 1996). Unless otherwise indicated, examples found in this section appear in these excellent sources.

51. Anca Bucuta, "A review of the specific characteristics of the generation Y consumer," *The Proceedings of the International Conference, Marketing - from Information to Decision 8* (2015): 38; "The 'compassion effect,'" *USA Today*, Dec. 2015; Jeff Fromm, "Think Tank," *WWD*, July 22, 2015; "McDonald's Canada introduces self-serve ordering," *Toronto Star*, September 30, 2015, www.thestar.com/business/2015/09/30/mcdonalds-canada-introduces-self-serve-ordering.html; Brian Sozzi, "McDonald's rolling out self-ordering kiosks in Europe: Will the U.S. be next?" *The Street*, April 13, 2016, www.thestreet.com/story/13511123/1/mcdonald-s-rolling-out-self-ordering-kiosks-in-europe-will-u-s-be-next.html.

44. "McDonald's Adapts Mac Attack to Foreign Tastes with Expansion," *Dallas Morning News*, December 7, 1997, p. 3H; and "Taking Credit," *The Economist*, November 2, 1996, p. 75.

45. Patricia Adams, "Foreign aid corruption case puts Canada on trial," *National Post*, August 20, 1999.

46. These examples appear in Del I. Hawkins, Roger J. Best, and Kenneth A. Coney, *Consumer Behavior*, 8th ed. (Burr Ridge, IL: McGraw-Hill/Irwin, 2001), chap. 2.

47. "Greeks Protest Coke's Use of Parthenon," *Dallas Morning News*, August 17, 1992, p. D4.

48. Valentina Vescovi, "In Spain, Pepsi Becomes 'Pesi,'" *Advertising Age*, February 4, 2010, http://adage.com/article/global-news/marketing-spain-pepsi-pesi/141916/; and Valentina Vescovi and Aixa Rocca, "In Argentina, Pepsi Becomes

'Pecsi,'" *Advertising Age*, July 15, 2009, http://adage.com/globalnews/article?article_id=137946.

49. "Global Thinking Paces Computer Biz," *Advertising Age*, March 6, 1995, p. 10.

50. "If only Krispy Kreme makes you smarter," *Business 2.0*, August 2005, p. 108.

1. Svetlana Sicular,"Gartner's Big Data Definition Consists of Three Parts, Not to Be Confused with Three "V"s," Gartner, Inc, featured in *Forbes*, March 27, 2013, accessed at www.forbes.com/sites/gartnergroup/2013/03/27/gartners-big-data-definition-consists-of-three-parts-not-to-be-confused-with-three-vs/.

2. Susan Krashinsky, "I am Canadian, and so are they: Molson's new nationalist pitch," *Globe and Mail*, February 6, 2013, accessed at www.theglobeandmail.com/report-on-business/industry-news/marketing/i-am-canadian-and-so-are-they-molsons-new-nationalist-pitch/article8280376/; "Molson's Canadians: Are beer and patriotism a potent brew?" CBC News Community, February 6, 2013, accessed at www.cbc.ca/news/yourcommunity/2013/02/are-beer-and-patriotism-a-potent-brew.html; Curtis Rush, "New Molson Canadian ad shows wild, crazy side of this nation's beer drinkers," *Toronto Star*, February 6, 2013, accessed at www.thestar.com/news/canada/2013/02/06/new_molson_canadian_ad_shows_wild_crazy_side_of_this_nations_beer_drinkers.html; "Molson Canadian Ad Goes Viral: Proud Patriotism Or Cynical Exploitation?" *Huffington Post Canada*, February 6, 2013, accessed at www.huffingtonpost.ca/2013/02/06/molson-canadian-ad-viral_n_2631017.html.

3. Interview with Luke Sklar, partner and founder of Sklar Wilton and Associates, May 2013; discussion with Jennifer Roberts, director at Sklar Wilton and Associates, June 2013.

2. For an expanded definition, consult the American Marketing Association's website at http://marketing-dictionary.org/ama.

5. Michael Grant and Catharine Johnston, "1 + 1 = 3: CMO & CIO Collaboration Best Practices That Drive Growth," CMA and The Conference Board of Canada's Organizational Effectiveness and Learning Division, June 2013; "Big Data 101: Unstructured Data Analytics," Intel Corporation, June 2012, accessed at www.intel.com/content/www/us/en/big-data/unstructured-data-analytics-paper.html www.intel.com/content/dam/www/public/us/en/documents/solution-briefs/big-data-101-brief.pdf (June 2012); Sicular,"Gartner's Big Data Definition Consists of Three Parts, Not to Be Confused with Three "V"s."

6. Grant and Johnston, "1 + 1 = 3: CMO & CIO Collaboration Best Practices That Drive Growth."

7. "Increase Marketing ROI with New Analytics Techniques, "IBM Business Analytics Summit 2013, "Gain insights. Drive performance," Toronto, April 2013; "Connect to Your Customers in a Whole New Way," Salesforce Company Tour, Toronto, June 19, 2013.

8. Tim Peterson, "Salesforce takes marketing into the cloud," *Adweek*, September 19, 2012, accessed at www.adweek.com/news/technology/salesforce-takes-social-marketing-cloud-143807; "Salesforce.com Delivers Next Generation Social Analytics for the Marketing Cloud," Salesforce.com, press release, October 19, 2012, accessed at www.salesforce.com/company/news-press/press-releases/2012/10/121019.jsp; Mike Rosenbaum, "Become a Customer Company—connect with your customer in a whole new way," Salesforce Company Tour, keynote presentation, Toronto, June 19, 2013; "Case Study: Air Canada. How Air Canada Uses Social Media to Help Customers when Snowstorms Strike," Salesforce Marketing Cloud, accessed September 2014 at www.salesforcemarketingcloud.com/resources/case-studies/social-media-and-snow-storms-how-air-canada-used-the-social-web-to-help-customers/; "Case Study: Brock University. The higher education industry has long been receptive to social media, valuing its ability to create connections between institutions, organizations and their various supporters," Salesforce Marketing Cloud, accessed September 2014 at www.salesforcemarketingcloud.com/resources/case-studies/brock-uses-social-media-to-build-a-connected-campus/; Trish Forant, "5 Ways to Connect Social media to Your Business Goals," Salesforce Marketing Cloud Blog, May 22, 2013, accessed at www.salesforcemarketingcloud.com/blog/2013/05/social-media-business-goals/.

9. Interview with Lucy Brun, partner Agnew Peckham and Associatates, June 2013.

10. Kathy Sheenan, "The Consumer Journey to 2020. Five Trends Driving the Future of Brands," GFK Roper webinar for CMA, July 30, 2013.

11. Jessica Hogue, "Building a Better Burger? Try Listening for Product Development," *Nielsenwire* blog, April 2010, accessed at http://blog.nielsen.com/nielsenwire/online_mobile/building-a-better-burger-try-social-listening-for-product-development; Paul M. Banas, "Social Listening: Focusing on Insights," *Insight Buzz* blog, January 2010, accessed at www.insightbuzz.com/2010/01/18/social-listening-focusing-on-insights; Suresh Vittal, "Listening Metrics that Matter. Avoid Data Overload by Targeting Metrics that

Support Specific Listening Goals," Forrester Research, May 29, 2009, accessed at www.forrester.com/rb/Research/listening_metrics_that_matter/q/id/54700/t/2.

12. BBM Canada, "The Portable People Meter (PPM)," accessed July 2013 at www.bbm.ca/en/products-services/the-portable-people-meter.

13. Conversation with John Vavrik, director of the B.C. Centre for Strategic Management of Risk in Transportation, n.d.

14. Leger Marketing, "Online Surveys," accessed August 2010 at www.legermarketing.com/eng/webstudies.asp.

1. Personal interview with Melissa Durrell, chief executive officer, Durrell Communications, December 2022.

2. Peter LaPlaca, "From the Editor," *Journal of Business and Industrial Marketing* 3 (1992); D. Lawin, "Business-to-business marketing: A defined strategy," *Franchising World* 36 (2004), pp. 24–25; Nicole E. Coviello and Roderick J. Brodie, "Contemporary marketing practices of consumer and business-to-business firms: How different are they?" *Journal of Business & Industrial Marketing* 16 (2001), pp. 382–400.

3. This figure is based on *Statistical Abstract of the United States: 2002*, 122nd ed. (Washington, DC: U.S. Census Bureau, 2002).

3. "10 things you (probably) didn't know about Canadian SMEs," BDC, accessed at www.bdc.ca/en/articles-tools/business-strategy-planning/manage-business/pages/10-things-didnt-know-canadian-sme.aspx; and "Key Small Business Statistics - January 2019," Government of Canada, January 31, 2019, accessed at /www.ic.gc.ca/eic/site/061.nsf/eng/h_03090.html#point1-1.

4. "Federal Budget 2013: Government stays the course on cuts, 2015 balanced budget," Canadian Press, March 21, 2013, www.huffingtonpost.ca/2013/03/21/federal-budget-2013_n_2883904.html; Joel Eastwood, "New database will allow Canadians to track government spending data," Canadian Press, April 22, 2013, http://globalnews.ca/news/502224/new-database-will-allow-canadians-to-track-government-spending-data/; "Expenditure database," Treasury Board of Canada Secretariat, April 12, 2013, www.tbs-sct.gc.ca/ems-sgd/edb-bdd/edb-bdd-eng.asp.

6. "Charities Listings," Canada Revenue Agency, April 4, 2013, accessed at www.cra-arc.gc.ca/tax/charities/online_listings/canreg_interim-e.html; "Charities

Program Update," Canada Revenue Agency, April 18, 2013, accessed at www.cra-arc.gc.ca/chrts-gvng/chrts/bt/chrtsprgrm_pdt-eng.html.

7. North American Industry Classification System (NAICS) Canada 2012, Statistics Canada, October 24, 2013, accessed at www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVDPage1&TVD=118464.

9. Joe Pulizzi, "The transformation of content marketing," *EContent*, December 2012, pp. 20–21; Joe Pulizzi, "2013 B2B Content Marketing Benchmarks, Budgets and Trends," Content Marketing Institute, October 24, 2012, http://contentmarketinginstitute.com/2012/10/2013-b2b-content-marketing-research/; "What is content marketing?" Content Marketing Institute (n.d.), http://contentmarketinginstitute.com/what-is-content-marketing/; Sarah Johnson and Laura Sparks, "How to launch a content marketing strategy," *CPA Practice Management Forum* 9 (2013), pp. 5–7.

8. Tessa Wegert, "Contently Case Story: How Content is helping Xerox Rebrand," *Contently*, October 6, 2015, https://contently.com/strategist/2015/10/06/contently-case-story-how-content-is-helping-xerox-rebrand/; Chima Adiele, "Towards promoting interactivity in a B2B web community," *Information Systems Frontiers 13* (2011), pp. 237–249; Umberto Miletti, "B2B Companies Must Keep Pace with the Customer 2.0." *Social Media B2B*, June 7, 2010, http://socialmediab2b.com/2010/06/b2b-company-customer; "About," HealthBiz Decoded (n.d.), http://healthbizdecoded.com/about/; Kate Maddox, "BMA conference focuses on content, innovation," *B to B*, June 13, 2011; "2013 Content Marketing Awards," *B to B*, September 30, 2013, www.btobonline.com/article/20130930/CONTENTMARKETING01/309269992/xerox-corp?template=CMAprofile.

10. This listing and portions of the following discussion are based on F. Robert Dwyer and John F. Tanner, Jr., *Business Marketing*, 2nd ed. (Burr Ridge, IL: McGraw-Hill/Irwin, 2002); and Edward G. Brierty, Robert W. Eckles, and Robert R. Reeder, *Business Marketing*, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 1998); and Dominic F. Wilson, "Why divide consumer and organizational buyer behaviour?" *European Journal of Marketing* 34 (2000), pp. 780–796.

11. Office of the Premier, "New investments to improve public transit for British Columbia," Government of British Columbia, July 18, 2019, accessed at https://news.gov.bc.ca/releases/2019PREM0085-001479; A. Artuso, *Toronto Sun*, April 18, 2022, accessed at https://torontosun.com/news/local-news/ttc-purchases-more-hybrid-buses; "Federal government announces an investment in public transit systems across," [News Release], Government of Canada, February

17, 2022, accessed at www.canada.ca/en/department-finance/news/2022/02/federal-government-announces-an-investment-in-public-transit-systems-across-canada.html

12. "The Changing B2B Buyer," *Marketo* (n.d.), www.marketo.com/cheat-sheets/the-changing-b2b-buyer/ (accessed September 2014); "What makes business-to-business marketing different," Proteus Marketing (n.d.), www.proteusb2b.com/b2b-marketing/difference.php (accessed September 2014); R. B. Ferguson, "The uh-oh factor: Fundamental shifts in social business and what to do about it," *MIT Sloan Management Review* 54 (2012), pp. 1–4.

13. J. Castaldo, "Brands we trust: Those emotional Canadians," *Canadian Business*, April 7, 2011, accessed at www.canadianbusiness.com/business-strategy/brands-we-trust-those-emotional-canadians/; J. Buckland, "Top 10 places to work in Canada," *MSN Money*, April 13, 2010, accessed at http://money.ca.msn.com/savings-debt/gallery/gallery.aspx?cp-documentid=23864240 .

14. O. El Akkad, "BlackBerry's last stand: A big bet on corporate buyers," *Globe and Mail*, September 22, 2013, accessed at www.theglobeandmail.com/report-on-business/blackberry-to-give-up-on-consumer-market-in-face-of-dismal-sales/article14455492/; J. Buckland, "Relax, Blackberry users: RIM not ditching its signature keypad," *MSN Money*, May 3, 2012, accessed at www.everydaymoney.ca/2012/05/relax-blackberry-users-rim-not-ditching-its-signature-keypad.html .

14. S. Andersson and P. Servais, "Combining industrial buyer and seller strategies for international supply and marketing management," *European Business Review* 22 (2010), pp. 64–81, doi:http://dx.doi.org/10.1108/09555341011009016; J. H. Bantham, "An exploratory study of satisfaction in buyer-seller partnerships," *Journal of Consumer Satisfaction, Dissatisfaction and Complainin g Behavior* 23 (2010), p. 130; definitions adapted from F. E. Webster and Y. Wind, *Organizational Buying Behavior* (Englewood Cliffs, NJ: Prentice Hall, 1972).

15. T. V. Bonoma, "Major Sales: Who Really Does the Buying?" *Harvard Business Review*, July 2006, http://hbr.org/2006/07/major-sales-who-really-does-the-buying/ar/1.

16. Ibid.

17. Ibid.

18. F.E. Webster Jr. and Y. Wind, *Organizational Buying Behavior;* F.E. Webster Jr. and Y. Wind, "A General Model for Understanding Organizational Buying Behavior," *Journal of Marketing* 36 (1972), pp. 12–19.

19. "Contract awarded for St. Lawrence project bridge," *Purchasing B2B*, October 21, 2013, www.canadianmanufacturing.com/purchasing-and-procurement/news/contract-awarded-for-st-lawrence-project-bridge-120780; "Government of Canada awards contract for engineering and coordination services for the new bridge for the St. Lawrence project" [Press release], Transport Canada, October 18, 2013, www.tc.gc.ca/eng/mediaroom/releases-2013-h139e-7388.html.

20. Representative studies on the buy-class framework that document its usefulness include E. Anderson, W., Chu, and B. Weitz, "Industrial purchasing: An empirical exploration of the buy-class framework," *Journal of Marketing 51* (1987), pp. 71–86; M. Ghingold, "Testing the 'buy-grid' buying process model," *Journal of Purchasing and Materials Management 22* (1986), pp. 30–36; P. Matthyssens and W. Faes, "OEM buying process for new components: Purchasing and marketing implications," *Industrial Marketing Management 14* (1985), pp. 147–157; and T.W. Leight and A.J. Ethans, "A script-theoretic analysis of industrial purchasing behavior," *Journal of Marketing 48* (1984), pp. 22–32. Studies not supporting the buy-class framework include J.A. Bellizi and P. McVey, "How valid is the buy-grid model?" *Industrial Marketing Management 12* (1983), pp. 57–62; and D.W. Jackson, J.E. Keith, and R.K. Burdick, "Purchasing agents' perceptions of industrial buying center influences: A situational approach," *Journal of Marketing 48* (1984), pp. 75–83.

21. N. Weinberg, "Evolution, Not Revolution," *Forbes*, May 21, 2001, www.forbes.com/best/2001/0521/038.html; "Business connections: The wired way we work," *Newsweek*, April 30, 2001; V. Vijayasri, "Arriving at a systems paradigm: Measuring and managing the complexity of organizations and consumers online," Order No. 3019131, Syracuse University, ProQuest Dissertations and Theses (2001).

22. This discussion is based on M. Roberti, "General Electric's Spin Machine," *The Industry Standard* (2001), pp. 74–83; "Grainger lightens its 'digital load,'" *Industrial Distribution 90* (2001), pp. 21–24; and K. Kuryllowicz, "The future of the net: We called up the smartest internet users we know to ask where the net is headed next," *Profit*, May 1, 2001.

23. "Surprise upturn for online trading," *Supply Management* 6 (2001), p. 9; T. Gignac, "E-barter exchanges play matchmaker: Businesses are using online trading

networks to swap services, save money and discover new customers," *Calgary Herald*, May 28, 2001; J.O. Soo and S.W. Kim, "The effect of B2B e-marketplace type on buyer-supplier relational advantages of e-marketplace and firm performance," *Asian Journal on Quality* 12 (2011), pp. 189–203, doi: http://dx.doi.org/10.1108/15982681111158742.

25. B. Martinuzzi, A Guide to Japanese Business Etiquette, American Express, January 24, 2022, accessed at https://www.americanexpress.com/en-us/business/trends-and-insights/articles/doing-business-in-japan-10-etiquette-rules-you-should-know/; "Etiquette guide to japan; know the rules that make the difference," rev. ed., *Reference and Research Book News 24* (2009); L. Laroche and S. Morey, "Minding your manners: Business etiquette and gift-giving are part and parcel of conducting business abroad," *CMA Management 74* (2000), pp. 38–41; B. Bradley, "Best behaviour: Business etiquette in Japan," *Report on Business Magazine*, March 2001; G. Cotton, "Do this, not that when doing business overseas," CNBC, April 6, 2013, www.cnbc.com/id/100588894; Chad Brooks, "Lost in Translation: 8 International Marketing Fails," *Business News Daily*, October 7, 2013, http://www.businessnewsdaily.com/5241-international-marketing-fails.html; Neil Kokemuller, "Marketing Blunders & Global Culture," *AZCentral* (n.d.), http://yourbusiness.azcentral.com/marketing-blunders-global-culture-13505.html; "Nike tattoo leggings pulled after deemed exploitative of Samoan culture," *Huffington Post*, August 15, 2013, www.huffingtonpost.com/2013/08/15/nike-tattoo-leggings_n_3763591.html; V. Tapaleao, "Nike commits cultural faux pas," *New Zealand Herald*, August 14, 2013, www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10912088; "Nike debuts athletic ware, offends all of Samoa, pulls athletic wear," MSN, August 14, 2013, http://now.msn.com/nike-apologizes-for-using-samoan-tattoo-as-inspiration-for-running-tights.

24. "Our Story," Ariba website, n.d., www.ariba.com/ourstory.

26. Christian McIntosh, "Online auctions push E-commerce," *PC World Online*, April 29, 1999; R. Bray, "Reverse auctions going full speed ahead," *Summit* 6 (2003); Olivia Korostelina, "Online reverse auctions: a cost-saving inspiration for businesses," *Dartmouth Business Journal*, March 17, 2012, http://dartmouthbusinessjournal.com/2012/03/online-reverse-auctions-a-cost-saving-inspiration-for-businesses/.

27. Mary Kwak, "Potential pitfalls of e-auctions: smart ideas on reverse auctions," *Working Knowledge for Business Leaders*, Harvard Business School, September 9, 2002, http://hbswk.hbs.edu/archive/3086.html; Bob Tedeschi, "GE has a bright idea," *Smart Business*, September 25, 2001.

28. Sandy Jap, "Going, Going, Gone," *Harvard Business Review*, November 2000, http://hbr.org/2000/11/going-going-gone/ar/1; L. Wichmann, "Avoiding the pitfalls of e-procurement: Seminar lays down the pros and cons of internet commerce," *Plant* 59 (2000), p. 16; G. Cameron, "Reverse auctions remain high on OGCA hit list," *Daily Commercial News and Construction Record* 76 (2003), p. 5.

1. Personal interview with Rob Morash, general manager, HEAD Canada, May 2013.

2. Adapted from the American Marketing Association's resource library, at www.marketingpower.com/_layouts/dictionary.aspx?dLetter=N .

3. Kashi website, accessed September 2013 at http://kashi.ca/en/AboutUs/ .

4. Mashable website, accessed September 2013 at http://mashable.com/about/ .

5. Maison Le Grand website, accessed September 2013 at http://maisonlegrand.com/en/; Jennifer Bain, "Green bean salad with lemon sauce," *Toronto Star*, April 12, 2012, accessed at www.thestar.com/life/food_wine/recipes/2010/04/12/green_bean_salad_with_lemon_sauce.html; "Canadian Company Capabilities: La Maison Le Grand- Company information," Industry Canada, September 20, 2012, accessed at www.ic.gc.ca/app/ccc/srch/nvgt.do?lang=eng&prtl=1&sbPrtl=&estblmntNo=234567128003&profile=cmpltPrfl&profileId=501&app=sold; "Introducing Maison Le Grand," press release, October 7, 2009, accessed at www.prlog.org/10367664-introducing-maison-le-grand.html; Heather Tyree, "Best of the 2008 Summer Fancy Food Show," *Epicurious*, July 1, 2008, accessed at www.epicurious.com/articlesguides/blogs/editor/2008/07/best-of-the-200.html .

6. Hershey website, accessed September 2013 at www.hersheys.com/kisses/experience/send-a-kiss.aspx .

7. "From City to City: car2go Now Offers Multi-City Access,"CNW, press release, June 5, 2012, accessed at www.newswire.ca/en/story/1004085/from-city-to-city-car2go-now-offers-multi-city-access; Car2go website, accessed September 2013 at www.car2go.com; Jeremy Cato, "A green future for Smart?" *Globe and Mail*, August 14, 2012, accessed at www.theglobeandmail.com/globe-drive/new-cars/auto-news/a-green-future-for-smart/article4480809 /; Marco Chown Oved, "With car sharing gaining in popularity, a comparison of Toronto's services," *Toronto Star*, January 6, 2013, accessed at

www.thestar.com/business/2013/01/06/with_car_sharing_gaining_in_popularity_a_comparison_of_torontos_services.html .

8. "Maclean's Media Kit 2013,"accessed September 2013 at www.rogersconnect.com/files/Macleans_MediaKit.pdf .

9. Euromonitor website, accessed September 2013 at www.euromonitor.com/canada .

10. Environics Analytics Prism C2, accessed September 2013 at www.environicsanalytics.ca/environics-analytics/data/consumer-segmentation/prizmc2 .

11. Pitney Bowes Software Psyte HD, accessed September 2013 at www.utahbluemedia.com/pbbi/psyte/psyteCanada.html .

12. SuperDemographics, accessed September 2013 at www.superdemographics.com .

13. "Aimia Study Makes Case for Segmentation-Driven Social Media Strategy Based on Six Social Media Personas," Aimia, news release, May 31, 2012, accessed at www.aimia.com/English/Media-Center/News-Releases/News-Release-Details/2012/Aimia-Study-Makes-Case-for-Segmentation-Driven-Social-Media-Strategy-Based-on-Six-Social-Media-Personas/default.aspx; "New Aimia study reveals six social media personas," Examiner.com, June 12, 2012, accessed at www.examiner.com/article/new-aimia-study-reveals-six-social-media-personas; Mona Askalani, "Staring at the Sun. Identifying, Understanding, and Influencing Social Media Users. Research Brief, The Leading Edge of Consumer Insight," Aimia, June 4, 2012, accessed at www.aimia.com/files/doc_downloads/Aimia_SocialMedia_Whitepaper.pdf; Pam Dyer, "The 6 Types Of Social Media Users," *Social Media Today*, June 25, 2012, accessed at http://socialmediatoday.com/pamdyer/564409/6-types-social-media-users .

14. Canadian Press, "McDonald's earmarks $1-billion for Canadian renovations," *Globe and Mail*, September 7, 2011, accessed at www.theglobeandmail.com/globe-investor/mcdonalds-earmarks-1-billion-for-canadian-renovations/article593454/; "McDonald's Canada invests $1 billion in brand transformation," Marketwire, press release, September 7, 2011, accessed at www.marketwire.com/press-release/mcdonaldsr-canada-invests-1-billion-in-brand-transformation-1557901.htm; "McDonald's® Canada enters nation's fastest-growing beverage category with national launch of McCafé® Real Fruit Smoothies®," McDonald's

Canada, press release, March 28, 2012, accessed at www.mcdonalds.ca/ca/en/our_story/corporate_info/press_room/articles/PR_Smoothies.html; Francine Kopun, "McDonald's new veggie wrap: Delicious but high in fat, calories," *Toronto Star*, August 28, 2013, accessed at www.thestar.com/business/2013/08/28/mcdonalds_new_veggie_wrap_delicious_but_high_in_fat_calories.html; "Canadian Households 'Perk Up' with McCafé® Premium Roast Take Home Coffee," PR Newswire, press release, November 8, 2012, accessed at www.prnewswire.com/news-releases/canadian-households-perk-up-with-mccafe-premium-roast-take-home-coffee-177869021.html; "McDonald's outlets getting comfy look," *Toronto Star*, September 13, 2007, accessed at www.thestar.com/Business/article/256023 .

15. Burberry corporate website, accessed September 2013 at www.burberryplc.com/; Burberry brand website, accessed September 2013 at http://ca.burberry.com/store/; Angela Ahrendts, "Burberry's CEO on Turning an Aging British Icon into a Global Luxury Brand," *Harvard Business Review*, January–February 2013, accessed at http://hbr.org/2013/01/burberrys-ceo-on-turning-an-aging-british-icon-into-a-global-luxury-brand/ar/3; "Digital vital to Burberry's growth," WARC, January 2, 2013, accessed at www.warc.com/LatestNews/News/EmailNews.news?ID=30825&Origin=WARCNewsEmail#ZPRYdg7ggYDBKhmt.99; "Brand "purification" boosts Burberry," WARC, July 14, 2010, accessed at www.warc.com/LatestNews/News/ArchiveNews.news?ID=26965; Rachel Lamb, "Burberry unleashes tech expertise, heritage with most-advanced brand flagship," *Luxury Daily*, September 13, 2012, accessed at www.luxurydaily.com/burberry-unleashes-tech-savvy-heritage-with-new-flagship-launch/; Mark J. Miller, "Burberry Turns Global Flagship Into Living Website Ahead of London Fashion Week," *BrandChannel*, September 14, 2012, accessed at www.brandchannel.com/home/post/2012/09/14/Burberry-London-Regent-Street-091412.aspx; Diane O'Brien, "Burberry square," *BrandChannel*, June 16, 2003, accessed at www.brandchannel.com/features_profile.asp?pr_id=130; Ashirvad Tomar, "Retail-led Strategy by Burberry to Target High Net Worth Individuals in Asia Pacific," *MarketLine*, February 27, 2013, accessed at www.marketline.com/blog/retail-led-strategy-by-burberry-to-target-high-net-worth-individuals-in-asia-pacific/; John Kotter, "Burberry's Secrets to Successful Brand Reinvention, *Forbes*, February 26, 2013, accessed at www.forbes.com/sites/johnkotter/2013/02/26/burberrys-secrets-to-successful-brand-reinvention/; Karen Dacre and Rosamund Urwin, "Magic mirrors, 25 staircases and a giant 22ft screen—Burberry flagship store lands in Regent Street," *London Evening Standard*, September 13, 2012, accessed at www.standard.co.uk/news/london/magic-mirrors-25-staircases-and-a-giant-22ft-screen--burberry-flagship-store-lands-in-regent-street-8134688.html .

1. Interview with Ian Gordon, May 2013; "Loblaw launches the President's Choice® black label line of fine food products, sourced the world over," press release, October 13, 2011, accessed at www.newswire.ca/en/story/857809/loblaw-launches-the-president-s-choice-black-label-line-of-fine-food-products-sourced-the-world-over; "President's Choice ® black label collection of fine foods features new delights just in time for the holiday season," press release, December 5, 2012, accessed at www.loblaw.ca/English/Media-Centre/news-releases/news-release-details/2012/Presidents-Choice--black-label-collection-of-fine-foods-features-new-delights-just-in-time-for-the-holiday-season1132203/default.aspx; Rob Gerlsbeck, "Loblaw's PC Black Label," *Canadian Grocer*, January 10, 2012, accessed at www.canadiangrocer.com/top-stories/loblaws-pc-black-label-11045; Dana Flavelle, "Loblaws gambles on luxury food line," *Toronto Star*, September 13, 2011, accessed at www.thestar.com/business/personal_finance/spending_saving/2011/09/13/loblaws_gambles_on_luxury_food_line.html/ .

2. "Gross Domestic Product (GDP) by Industry Sector: 2001-2009," Canadian Industry Statistics, Statistics Canada, accessed January 2011 from Industry Canada at www.ic.gc.ca/eic/site/cis-sic.nsf/eng/h_00016.html#gdp2c .

3. "Consumerology: Customer service has the power to make or break a brand," Bensymon Byrne, press release, September 6, 2012, accessed at http://bensimonbyrne.com/press_room/2012#/press-release/consumerology-customer-service-has-the-power-to-make-or-break-a-brand; Bensymon Byrne, "The Bensimon Byrne Consumerology Report: Consumerology 17: Customer service," August 2012, accessed at http://bensimonbyrne.com/wp-content/uploads/2012/09/Customer-Service-August-2012_RevisedSEPT5.pdf .

4. Christina Clements, "Gap Logo Redesign—A Look Back," *MktgCliks* blog, December 12, 2010, accessed January 2011 at http://mktgcliks.blogspot.com/2010/12/gap-logo-redesign-look-back.html (adapted with permission); Juli Weiner, "New Gap Logo, Despised Symbol of Corporate Banality, Dead at One Week," *Vanity Fair*, October 12, 2010, accessed January 2011 at www.vanityfair.com/online/daily/2010/10/new-gap-logo-despised-symbol-of-corporate-banality-dead-at-one-week.html; Armin, "Don't Mind the Gap, or the Square," *Brand New* blog, October 6, 2010, accessed January 2011 from www.underconsideration.com/brandnew/archives/dont_mind_the_gap_or_the_square.php; Jennifer Van Grove, "Gap Asks Facebook Fans for Alternative Designs to Derided New Logo," *Mashable* blog, October 7, 2010, accessed January 2011 at http://mashable.com/2010/10/07/gap-logo-redesign; Marka Hansen, "The Gap's New Logo," *Huffington Post*, October 7, 2010, accessed January 20111 at www.huffingtonpost.com/marka-hansen/the-gaps-new-logo_b_754981.html;

Melissa Bell, "After Internet hazing, Gap logo goes away," *Washington Post*, October 12, 2010, accessed January 2011 at http://voices.washingtonpost.com/blog-post/2010/10/gap_logo_gets_internet_hazed_a.html; "Gap Listens to Customers and will Keep Classic Blue Box Logo," Gap, press release, October 11, 2010, accessed January 2011 at www.gapinc.com/public/Media/Press_Releases/med_pr_GapLogoStatement10112010.shtml .

5. Kristin Laird, "Hudson's Bay Taps into Heritage for Modern Day Adventure," *Marketing*, June 26, 2013, accessed at www.marketingmag.ca/News/Marketer-News/Hudson%E2%80%99s-Bay-Taps-Into-Heritage-For-Modern-Day-Adventure-82445; Canadian Press, "Hudson's Bay Aims to Become 'House Of Brands' With New Renovations," *Marketing*, April 11, 2013, accessed at www.marketingmag.ca/News/Marketer-News/Hudsons-Bay-Aims-To-Become-House-Of-Brands-With-New-Renovations-76340; Canadian Press, "Retailer The Bay unveils rebranding," CBCNews, March 6, 2013, accessed at www.cbc.ca/news/business/retailer-the-bay-unveils-rebranding-1.1394847; Susan Krashinsky,"New logo, old name: The Bay returns to its roots," *Globe and Mail*, March 6, 2013, accessed at www.theglobeandmail.com/report-on-business/industry-news/marketing/new-logo-old-name-the-bay-returns-to-its-roots/article9356220/; "Hudson's Bay Celebrates its Past, Present and Future with Modern New Logo," press release, March 6, 2013, accessed at www3.hbc.com/press-release-container/hudsons-bay-celebrates-its-past-present-and-future-with-modern-new-logo/; Reneé Alexander, "Canada's The Bay Rebrands in Light of Target Launch," *BrandChannel* , March 11, 2013, accessed at www.brandchannel.com/home/post/2013/03/11/The-Bay-Rebrands-031113.aspx; Ross Marowits, "HBC planning Saks stores in Asia and Europe," Canadian Press and CTV News, September 23, 2013, accessed at www.ctvnews.ca/business/hbc-planning-saks-stores-in-asia-and-europe-1.1467711 .

6. "Point of View. The Most Influential Brands in Canada 2013," Ipsos Reid, 2013, accessed at www.ipsos.ca/common/dl/pdf/IpsosReid_Marketing_Influential_Brands.pdf and www.ipsos.ca/en/products-tools/marketing/consumer-trends-product/the-ipsos-influence-index.aspx .

7. "What is a Patent?" Canadian Intellectual Property Office, accessed October 2013 at www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00001.html .

8. "What is a Trade-mark?" Canadian Intellectual Property Office, accessed October 2013 at www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00002.html .

9. Facebook application "Wordscraper," accessed January 2011 at www.facebook.com/apps/application.php?id=2521910901; Facebook application "Scrabble," accessed January 2011 at www.facebook.com/Theofficialscrabble; Facebook group "Save Scrabulous," accessed January 2011 at www.facebook.com/group.php?gid=4772916593; Nick Parrish, "Hasbro Moves Beyond Uproar to Create a New Web 'Monopoly,'" *Advertising Age*, February 22, 2010, accessed at http://adage.com/digitalalist10/article?article_id=142172; "Scrabble loses copyright claim but wins trademark," KNS Partners website, accessed January 2011 at www.knspartners.com/files/Scrabble_loses_copyright_claim_but.pdf; "Facebook asked to pull Scrabulous game," CBC News, January 16, 2008, accessed at www.cbc.ca/technology/story/2008/01/16/tech-scrabulous.html; Mathew Ingram, "Viral marketing or trademark theft?" *Globe and Mail*, January 16, 2008, accessed, at www.theglobeandmail.com/servlet/story/RTGAM.20080116.WBmingram20080116132835/WBstory/WBmingram/?page=rss&; Matt Semansky, "How Do You Spell 'D-I-L-E-M-M-A'?" *Marketing* magazine, April 14, 2008, accessed at www.marketingmag.ca/english/news/marketer/article.jsp?content=20080414_71238_71238; Chris Sorensen, "Scrabble makers want Scrabulous scrapped," *Toronto Star* , January 16, 2008, accessed at www.thestar.com/Business/article/294676; "Scrabble knockoff returns," Associated Press, July 31, 2008, accessed at www.theglobeandmail.com/servlet/story/RTGAM.20080731.wgtscrabulous0731/BNstory/Technology/home .

10. Suzanne Vranica and Amir Efrati, "Apple Tablet Draws Jeers, Legal Rumblings Over iPad Name," *Wall Street Journal*, March 30, 2010, accessed at http://online.wsj.com/article/SB10001424052748704194504575031532455016738.html; Hiroko Tabuchi, "IPad? That's So 2002, Fujitsu Says," *New York Times*, January 28, 2010, accessed at www.nytimes.com/2010/01/29/technology/companies/29name.html?_r=0; Tim Worstall, "Apple Loses The iPad Mini Trademark," *Forbes*, March 31, 2013, accessed at www.forbes.com/sites/timworstall/2013/03/31/apple-loses-the-ipad-mini-trademark/; Lance Whitney, "U.S. Patent Office withdraws refusal of iPad Mini trademark," CNET, April 8 , 2013, accessed at http://news.cnet.com/8301-13579_3-57578449-37/u.s-patent-office-withdraws-refusal-of-ipad-mini-trademark/; Jack Purcher, "USPTO Oddly Refuses Apple's 'iPad mini' Trademark Filing," *Patently Apple*, March 30, 2013, accessed at

www.patentlyapple.com/patently-apple/2013/03/uspto-oddly-refuses-apples-ipad-mini-trademark-filing.html; Melanie Lee and Samuel Shen, "Apple pays $60-million to settle China iPad trademark dispute," *Globe and Mail*, July 2, 2012, accessed at www.theglobeandmail.com/report-on-business/apple-pays-60-million-to-settle-china-ipad-trademark-dispute/article4384925/; "Apple 'settles China iPad trademark dispute for $60m,' " BBC, July 2, 2012, accessed at www.bbc.co.uk/news/business-18669394; Christina Warren, "Apple Acquires the iPad Trademark," *Mashable* , March 2010, accessed at http://mashable.com/2010/03/26/ipad-trademark-settled/ .

11. "Best Global Brands 2013," Interbrand, accessed October 2013, at www.interbrand.com/en/best-global-brands/2013/top-100-list-view.aspx .

12. "Branding, Advertising, and Marketing Dictionary," Brandchannel.com, accessed October 2013 from www.brandchannel.com/education_glossary.asp#B .

13. Rob Osler, "The Name Game: Tips on How to Get It Right," *Marketing News*, September 14, 1998, p. 50; and Keller, *Strategic Brand Management* . See also Pamela W. Henderson and Joseph A. Cote, "Guidelines for Selecting or Modifying Logos," *Journal of Marketing*, April 1998, pp. 14–30; and Chiranjeev Kohli and Douglas W. LaBahn, "Creating Effective Brand Names: A Study of the Naming Process," *Journal of Advertising Research*, January–February 1997, pp. 67–75.

14. "A Survey of Multinationals," *The Economist*, June 24, 1995, p. 8.

15. Rachel Hanley, "From Googol to Google," *Stanford Daily*, February 12, 2003, accessed January 2011 at www.stanforddaily.com/2003/02/12/from-googol-to-google .

16. Paul Thurrott, "The Fun Never Stops: Microsoft vs. MikeRoweSoft," *Windows IT Pro*, January 20, 2004, accessed at www.winnetmag.com/Article/ArticleID/41510/41510.html .

17. "Canadian private label; The value alternative 2011," The Nielsen Company, 2011, accessed at www.nielsen.com/us/en/reports/2012/private-label-outlook--us-and-canada.html and www.nielsen.com/content/dam/corporate/us/en/reports-downloads/2012-Reports/Canadian-Private-Label-White-Paper.pdf .

18. "Canadian Company Receives Final Tender Approval from Rwanda for Vital AIDS Drug," Apotex, press release, May 7, 2008, accessed at www.apotex.com/PressReleases/20080507-01.asp?flash=Yes; "Second Shipment

Of Life-Saving Aids Drug Leaving for Africa," Apotex, press release, September 18, 2009, accessed at www.apotex.com/global/about/press/20090918.asp .

1. Personal communication with Sameera Banduk, marketing director, Thalmic Labs; "How does the Myo armband work?" Myo Support, accessed August 2016 at https://support.getmyo.com/hc/en-us/articles/202532376-How-does-the-Myo-armband-work-; "Myo Market," Thalmic Labs website, accessed August 2016 at https://market.myo.com/; "Thalmic Labs Secures $14.5 Million in Series A Funding Led by Spark Capital and Intel Capital," Thalmic Labs [press release], June 5, 2013, accessed August 2016 at https://www.thalmic.com/press.

2. Ethan Bloch, "A Year of Twitter," *Flowtown* blog, December 13, 2010, accessed at www.flowtown.com/blog/a-year-of-twitter; Larry Popelka,"What We Learned From Twitter's IPO: The Value of Innovation Is at an All-Time High," *Bloomberg Businesswee k*, November 18, 2013, accessed at www.businessweek.com/articles/2013-11-18/what-we-learned-from-twitter-s-ipo-the-value-of-innovation-is-at-an-all-time-high; Victor Luckerson "Twitter IPO Leads to Sky-High $24 Billion Valuation," *Time Business and Money*, November 7, 2013, accessed at http://business.time.com/2013/11/07/twitter-ipo-leads-to-sky-high-24-billion-valuation/#ixzz2nYVmnDUA; "From TWTTR to $TWTR: The Moments That Made It Happen," *Simply Measured Analytics* blog, November 8, 2013, accessed at http://simplymeasured.com/blog/2013/11/08/from-twttr-to-twtr-the-moments-that-made-it-happen .

3. C. Phocas, *The management of innovations with specific reference to the compact disc.* M.B.A. Dissertation, University of Bradford Management Centre, 1983.

4. Sony website, accessed November 2013 at www.sonymobile.com/ca-en/ .

5. "Book Club Gadgets," *Chatelaine*, December 2010, p. 178; Amazon.com Kindle Store, accessed January 2011 at www.amazon.com/dp/B002Y27P3M/?tag=gocous-20&hvadid=5729120357&ref=pd_sl_cazfqv6ny_b; "Introducing the All-New Kindle Family: Four New Kindles, Four Amazing Price Points," Amazon.com, press release, September 28, 2011, accessed at http://phx.corporate-ir.net/phoenix.zhtml?ID=1610968&p=irol-newsArticle&c=176060; Kindle 3rd generation product information accessed from the Amazon.com Kindle Store, January 2011, at www.amazon.com/dp/B002Y27P3M/?tag=gocous-20&hvadid=5729120357&ref=pd_sl_cazfqv6ny_b; Kindle 4th generation product information accessed from Amazon.com, October 2011, at www.amazon.com/gp/product/B0051QVESA .

6. Gabriel Madway, "Jobs Blast Rivals as iPad Sales Disappoint," Reuters, October 19, 2010, accessed at www.reuters.com/article/idUSTRE69H4UX20101019; Ben Patterson, "iPad Sales Cross Million Mark Twice as Fast as Original iPhone," Yahoo News, May 3, 2010, accessed at http://news.yahoo.com/s/ytech_gadg/20100503/tc_ytech_gadg/ytech_gadg_tc1901 .

7. Patterson, "iPad Sales Cross Million Mark Twice as Fast as Original iPhone."

8. Barry Silverstein, "UGG Australia the Good, the Bad, and the UGGly," *BrandChannel*, December 10, 2007, accessed at www.brandchannel.com/features_profile.asp?pr_id=365; Barry Silverstein, "New Counterfeit Gambit; Knock off Cheaper brands," *BrandChannel*, August 3, 2010; accessed at www.brandchannel.com/home/post/2010/08/03/New-Counterfeit-Gambit-Knock-Off-Cheaper-Brands.aspx#continue .

9. Marina Strauss , "Can Tim Hortons fight off McDonald's attack?" *Globe and Mail*, February 23, 2013, accessed at www.theglobeandmail.com/globe-investor/can-tim-hortons-fight-off-mcdonalds-attack/article8993325/?page=all; "Tim Hortons Pilots New Dark Roast Coffee," *Globe and Mail*, October 28, 2013, accessed at www.theglobeandmail.com/globe-investor/news-sources/?mid=cnw.20131028.C7552; Hollie Shaw, "Tim Hortons to offer new dark roast coffee blend in two test markets," StarPhoenix, October 29, 2013, accessed at www.thestarphoenix.com/life/Hortons+offer+dark+roast+coffee+blend+test+markets/9095316/story.html; Hollie Shaw, "Tim Hortons to offer new dark roast coffee blend in two test markets," *Financial Post*, October 28, 2013, accessed at http://business.financialpost.com/2013/10/28/tim-hortons-dark-roast-coffee/; Tim Hortons website, www.timhortons.com/ca/en/menu/merchandise-tassimo.html; Hollie Shaw, "New blonde in town," *Financial Post*, March 2, 2013, accessed at http://business.financialpost.com/2012/02/03/new-blonde-in-town/; "Coffee remains dominant," *Canadian Vending and Office Coffee Service* magazine, October 28, 2013, accessed at www.canadianvending.com/content/view/3423/57/ .

10. "Canada's Top Brands 2013; Canadian Brand Top 40," *Canadian Business* special report, accessed November 2013 at www.canadianbusiness.com/canadian-brand-top-40-ranking/; "Tim Hortons ranks number one in The Reputation Institute's survey of Canada's top brands in 2013," CNW, news release, April 30, 2013, accessed at www.newswire.ca/en/story/1155265/tim-hortons-ranks-number-one-in-the-reputation-institute-s-survey-of-canada-s-top-brands-in-2013 .

11. Robert Levy, "2013 BrandSpark Canadian Shopper Study: Critical Insights for Engaging Shoppers," BrandSpark International, May 2, 2013, accessed at www.brandspark.ca/pdf/Robert_Levy_BrandSpark_Canadian_Shopper_Study_Engaging_Shoppers.pdf

12. "10th Annual Best New Product Award Winners," Metronews.ca, accessed November 2012 at http://metronews.ca/bnpa-test/; "The 2013 Best New Product Award Winners announced: More than 93,000 Canadians choose the best new products in Canada's largest consumer study," press release, January 7, 2013, accessed at www.bestnewproductawards.biz/canada/pdf/2013_BNPA_Winners_Jan07_2013.pdf .

13. Trefis Team, "How Instagram's Monetization Can Help Facebook," *Forbes*, October 21, 2013, accessed at www.forbes.com/sites/greatspeculations/2013/10/21/how-instagrams-monetization-can-help-facebook/; Julie Kuehl , "Apple Picks Instagram, Snapseed for App of the Year," *Mac Observer*, December 9, 2011, accessed at www.macobserver.com/tmo/article/app_store_picks_2011_apps_of_the_year; Robert Hof, "So Much for Facebook Ruining Instagram—It Just Hit 150 Million Monthly Active Users," *Forbes*, October 8, 2013, accessed at www.forbes.com/sites/roberthof/2013/09/08/so-much-for-facebook-ruining-instagram-it-just-hit-150-million-monthly-active-users/; Steven Bertoni,"Instagram's Kevin Systrom: The Stanford Billionaire Machine Strikes Again," *Forbes*, August 1, 2012, accessed at www.forbes.com/sites/stevenbertoni/2012/08/01/instagrams-kevin-systrom-the-stanford-millionaire-machine-strikes-again/4/; Stephanie Mlot, "First Instagram Ad Showcases Designer Michael Kors," *PC Magazine*, November 1, 2013, accessed at www.pcmag.com/article2/0,2817,2426690,00.asp .

14. Kevin J. Clancy, Peter C. Krieg, and Marianne McGarry Wolf, *Market New Products Successfully: Using Simulated Test Market Technology*, Lexington Books, page 5, The Rowan and Littlefield Publishing Company, 2006.

15. Lisa C. Troy, Tanawat Hirunyawipada, and Audhesh K. Paswan, "Cross-functional I and New Product Success: An Empirical Investigation of the Findings," *Journal of Marketing*, November 2011; Calvin Hodock, "Winning the New Products Game; Know What Kills and Innovation Ahead of Time and Dodge Failures," *Advertising Age*, November 12, 2007, accessed at http://adage.com/print?article_id=121912; Clancy, et al, *Market New Products Successfully: Using Simulated Test Market Technology;* Copernicus Market Consulting, "10 Reasons Why New Products and Services Fail," Copernicum University, accessed at

www.copernicusmarketing.com/univers/reasons_for_product_failure.shtml; Eugene Sivadas and F. Robert Dwyer, "An Examination of Organizational Factors Influencing New Product Success in Internal and Alliance-Based Processes," *The Journal of Marketing*, Vol. 64, No. 1 (Jan., 2000), pp. 31-49, American Marketing Association, accessed at www.jstor.org/pss/3203389; J.C. Narver, S.F. Slater, and D. L MacLachlan, "Responsive and Proactive Market Orientation and New-Product Success," *Journal of Product Innovation Management*, Vol. 21, pp. 334–347, September 2004; Lane Anderson, "Ten Keys to New Consumer Products," *Prospecta Marketing*, accessed January 2011 at www.prospectamarketing.com/ArticlesAndCaseStudies/tenkeys.htm; R. G. Cooper and E. J. Kleinschmidt, "New Products—What Separates Winners from Losers?" *Journal of Product Innovation Management*, September 1987, pp. 169–84; Robert G. Cooper, *Winning at New Products*, 2nd ed. (Reading, MA: Addison-Wesley, 1993), pp. 49–66; and Thomas D. Kuczmarski, "Measuring Your Return on Innovation," *Marketing Management*, Spring 2000, pp. 25–32.

16. Chris Sorensen, "Bright Idea: Drama for 3-D TVs," *Maclean's*, January 31, 2011, p. 45.

17. "Coca-Cola Blak Enters Canada," Canwest News Service, August 31, 2006, accessed at www.canada.com/topics/finance/story.html?id=9b4cd2d7-344b-4095-ba60-31b1bbf2166d&k=4816 .

18. "Mixed Reviews for 'Lord of the Rings' Musical," CBC News, March 25, 2006, accessed at www.cbc.ca/arts/story/2006/03/24/lordoftherings-reviews.html; Jordan Timm, "With This Ring, They Thee Mock. A New Production Sends up Toronto's Disastrous 'Lord of the Rings: The Musical," *Macleans* , accessed at www.macleans.ca/article.jsp?content=20070709_107127_107127 .

19. John Gilbert, "To Sell Cars in Japan, U.S. Needs to Offer More Right-Drive Models," *Star Tribune*, May 27, 1995, p. M1.

20. "Sonic Sinker," *The Economist*, November 23, 2002, p. 58.

21. Kevin J. Clancy and Peter C. Krieg, "Surviving Innovation: Common Testing Mistakes Can Derail a Promising New product Launch," *Marketing Management*, March/April 2003, pp.14–20.

22. Robert Berner, "Why P&G's Smile Is So Bright," *Business Week*, August 12, 2002, pp. 58–60.

1. Personal interview with Paul Paquette, president, InXpress Canada, April 2023.

2. Michael Gauthier, "Bugatti has announced the Veyron Grand Sport Vitesse has officially become the fastest convertible in the world. The company will celebrate the event by introducing a World Record Car (WRC) Edition at the Shanghai Motor Show," Motor1.com, April 11, 2013, http://www.motor1.com/news/38024/bugatti-veyron-grand-sport-vitesse-world-record-car-edition/; Juergen Zoellter, "2013 Bugatti Veyron 16.4 Grand Sport Vitesse," *Car and Driver*, April 2012, http://www.caranddriver.com/bugatti/veyron; Aaron Robinson, "2011 Bugatti Veyron 16.4 Super Sport— First Drive Review," *Car and Driver*, October 2010, www.caranddriver.com/reviews/car/10q4/2011_bugatti_veyron_16.4_super_sport-first_drive_review.

3. Adapted from Kent B. Monroe, *Pricing: Making Profitable Decisions*, 3rd ed. (New York: McGraw-Hill, 2003); Krishnakumar Davey, Paul Markowitz, and Nagi Jonnalagadda, "The pricing opportunity: Discovering what customers actually value," *Strategy & Leadership* 34 (2006), pp. 23–30, doi:10.1108/10878570610660573

4. Roger A. Kerin and Robert A. Peterson, "Throckmorten Furniture (A)," *Strategic Marketing Problems: Cases and Comments*, 9th ed. (Englewood Cliffs, NJ: Prentice Hall, 1998), pp. 235–245; Jukti K. Kalita, Sharan Jagpal, and Donald R. Lehmann, "Do high prices signal high quality? A theoretical model and empirical results," *Journal of Product and Brand Management* 13 (2004), pp. 279–288.

6. For the classic description of skimming and penetration pricing, see Joel Dean, "Pricing Policies for New Products," *Harvard Business Review*, November–December 1976, pp. 141–53. See also, Reed K. Holden and Thomas T. Nagle, "Kamikaze Pricing," *Marketing Management*, Summer 1998, pp. 31–39.

7. Jean-Noel Kapferer, "Managing Luxury Brands," *Journal of Brand Management*, July 1997, pp. 251–60.

8. "Why That Deal Is Only $9.99," *BusinessWeek*, January 10, 2000, p. 36. For further reading on odd-even pricing, see Robert M. Schindler and Thomas M. Kilbarian, "Increased Consumer Sales Response through Use of 99-Ending Prices," *Journal of Retailing*, Summer 1996, pp. 187–99; Mark Stiving and Russell S. Winer, "An Empirical Analysis of Price Endings with Scanner Data," *Journal of Consumer Research*, June 1997, pp. 57–67; and Robert M. Schindler, "Patterns of Rightmost Digits Used in Advertised Prices: Implications for Nine-Ending Effects," *Journal of Consumer Research*, September 1997, pp. 192–201.

9. Thomas T. Nagle and Reed K. Holden, *The Strategy and Tactics of Pricing*, 3rd ed. (Englewood Cliffs, NJ: Prentice Hall, 2002), pp. 243–49.

10. Ibid., pp. 237–39.

5. The Canadian Press, "Food prices in Canada to continue to rise in 2023: report," CP24, December 5, 2022 accessed at www.cp24.com/news/food-prices-in-canada-to-continue-to-rise-in-2023-report-1.6180871?cache=teudlvfqprzhifle#:~:text=Canadians%20won't%20escape%20food,in%202023%2C%20new%20research%20predicts; Nojoud Al Mallees, "'Justinflation' or 'greedflation'? A look at why food prices are soaring in Canada," *Global News*, December 17, 2022, accessed at https://globalnews.ca/news/9356259/justinflation-greedflation-real-reason-behind-soaring-prices/; Josh Rubin, "Food prices continue to soar as inflation rate falls to 6.8% in November," *The Star*, December 21, 2022, accessed at www.thestar.com/business/2022/12/21/gas-prices-likely-helped-push-down-canadas-annual-rate-of-inflation.html.

11. Peter M. Noble and Thomas S. Gruca, "Industrial Pricing: Theory and Managerial Practice," *Marketing Science* 18, no. 3 (1999), pp. 435–54.

12. George E. Belch and Michael A. Belch, *Introduction to Advertising and Promotion*, 5th ed. (New York: Irwin/McGraw-Hill, 2001), p. 93.

20. CB Insights, "How Uber makes – and loses – money," n.d., accessed September 2020 at www.cbinsights.com/research/report/how-uber-makes-money/; Oliver Moore. "UberX will be allowed to operate legally in Toronto, city council decides," *The Globe and Mail*, May 3, 2016, www.theglobeandmail.com/news/toronto/divided-toronto-council-seeks-middle-ground-as-uber-debate-begins/article29835110/; Matt Elliot, "Toronto's taxi debate points to issues far bigger than Uber," *Metro*, May 9, 2016, www.metronews.ca/views/toronto/torys-toronto-matt-elliott/2016/05/09/toronto-taxi-debate-points-to-issues-far-bigger-than-uber.html; "What is Uber and what should I think about the controversies?" *The Telegraph,* May 16, 2016, www.telegraph.co.uk/better/technology/what-is-uber-and-what-should-i-think-about-the-controversies/; Laura Perez, "The Uber controversy reveals the rottenness of the taxi industry," *In Defence of Marxism*, January 5, 2016, www.marxist.com/uber-controversy-reveals-rottenness-of-taxi-industry.htm.

13. S. Makridakis, "Forecasting: Issues challenges for marketing management," *Journal of Marketing* 41 (1977), p. 24.

14. S. Doyle, "Business application of forecasting with a campaign management content," *Journal of Database Marketing & Customer Strategy Management* 12 (2004), pp. 87–93.

15. M. Man and L. Gadau, "The profit and loss account in different approaches: Advantages and disadvantages," *Annales Universitatis Apulensis: Series Oeconomica* 12 (2010), pp. 152–160.

16. D. Peppers and M. Rogers, "Return on customer: A new metric of value creation—return on investment by itself is not good enough," *Journal of Direct, Data and Digital Marketing Practice* 7 (2006), pp. 318–331.

17. Frank Bruni, "Price of Newsweek? It Depends," *Dallas Times Herald*, August 14, 1986, pp. S1, S20.

18. Keith J. Kelly, "New editor Impoco has *Newsweek* back in the black," *New York Post*, March, 6, 2015, accessed at https://nypost.com/2015/03/06/new-editor-impoco-has-newsweek-back-in-the-black/; Elizabeth Weise and Roger Yu, "'Newsweek' sold to 'International Business Times,'" *USA Today*, August 5, 2013, www.usatoday.com/story/money/business/2013/08/03/newsweek-sold-to-international-business-times/2615727/.

19. "Despite a strong preference for paper books, older readers actually have an easier time reading electronic tablets." *Review of Optometry*, March 2013.

21. "Henderson jersey coming back to Canada: Buyer," *CBC News*, June 23, 2010, www.cbc.ca/canada/story/2010/06/23/henderson-hockey-canada.html.

22. "Will Tablets Close the Book on e-Readers?" *Knowledge @ Wharton*, July 7, 2010, accessed at http://knowledge.wharton.upenn.edu/printer_friendly.cfm?articleid=2539.

23. "New court docs outline what Competition Bureau says happened in bread price-fixing scheme," *CBC News*, June 29, 2018, www.cbc.ca/news/business/bread-price-fixing-1.4728360; Andrew Russell, "7 Canadian companies committed indictable offences in bread-price fixing scandal: Competition Bureau," *Global News*, January 31, 2018, https://globalnews.ca/news/3998023/bread-price-fixing-scandal-competition-act-crimes/; Geoff Zochodne, "Bread price-fixing scandal may have originated with PowerPoint presentation: court documents," *Financial Post*, June 29, 2018, https://business.financialpost.com/news/retail-marketing/bread-price-fixing-scandal-may-have-originated-with-powerpoint-presentation-court-documents; Hollie Shaw, "Hershey Canada pleads guilty to chocolate price-fixing," *Financial Post*, June 21, 2013, http://business.financialpost.com/legal-post/hershey-canada-pleads-guilty-to-chocolate-price-fixing; Brent Jang, "Airlines fined $1.1-billion over price-fixing," *The Globe and Mail*, November 9, 2010,

www.theglobeandmail.com/globe-investor/air-canada-others-fined-for-price-fixing/article1791755.

25. "Grafton-Fraser to pay $1.2M in misleading ads case," *CBC News*, July 27, 2016, www.cbc.ca/news/business/grafton-fraser-to-pay-1-2m-in-misleading-ads-case-1.623251; Marina Strauss, "Grafton-Fraser fined for misleading sale prices," *The Globe and Mail*, July 28, 2006, www.theglobeandmail.com/report-on-business/grafton-fraser-fined-for-misleading-sale-prices/article18168771/.

26. "Stores Told to Lift Prices in Germany," *Wall Street Journal*, September 11, 2000, pp. A27.

27. "Rotten Apples," *Dallas Morning News*, April 7, 1998, p. 14A.

28. "When Grey Is Good," *The Economist*, August 22, 1998, p. 17; Neil Belmore, "Parallel Imports and Grey Market Issues," The Canadian Institute, December 5–6, 2001.

29. "How Dell Fine-Tunes Its PC Pricing to Gain Edge in a Slow Market," *Wall Street Journal*, June 8, 2001, pp. A1, A8.

30. For an extensive discussion on discounts, see Kent B. Monroe, *Pricing: Making Profitable Decisions*, 2nd ed. (New York: McGraw Hill, 1990), chaps. 14 and 15.

1. Personal interview with Jim Heuving, corporate & community partnerships, Blue Sea Foundation, September 2022.

2. Patrick Gillespie, "Pepsi has a Venezuela problem: $1.4 billion," CNN, October 8, 2015, http://money.cnn.com/2015/10/06/investing/pepsi-hit-hard-in-venezuela/; Thomas T. Vogel Jr., "Pepsi Finds Bottler in Venezuela After Old Firm Defected to Coke," *Wall Street Journal*, November 14, 1996, www.wsj.com/articles/SB84792428752932500; Glenn Collins, "A Coke Coup in Venezuela Leaves Pepsi High and Dry," *New York Times*, August 17, 1996, www.nytimes.com/1996/08/17/business/a-coke-coup-in-venezuela-leaves-pepsi-high-and-dry.html; Elizabeth Fuhrman, "Bottler of the year: Pepsi bottling ventures," *Beverage Industry* 100 (2009), pp. 24–26, 28, 30, 34.

3. This discussion is based on Bert Rosenbloom, *Marketing Channels: A Management View*, 6th edition. (Fort Worth: Dryden Press, 1999).

4. J. K. Johansson, "International alliances: Why now?" *Journal of the Academy of Marketing Science* (1995), pp. 301–304.

5. Allan J. Magrath, "Channel Vision: Getting Your Channels Right," *Ivey Business Journal*, November/December 2002, www.iveybusinessjournal.com/topics/innovation/channel-vision-getting-your-channels-right#.Uh6XMxbvzR1; Adrienne Mand, "Eddie Bauer's banner time of year," *Advertising Age*, October 1, 2001, http://adage.com/article/focus-design/databank-retail-eddie-bauer-s-banner-time-year/53693/; D.L. Duffy, "Case study: Multi-channel marketing in the retail environment," *Journal of Consumer Marketing* 21 (2004), pp. 356–359.

7. E. Brynjolfsson, Y. J. Hu, and M. S. Rahman, "Competing in the age of omnichannel retailing," *MIT Sloan Management Review* 54 (2013), pp. 23–29.

8. Andrea Stairs, "More and more shoppers are online, so where are the retailers?" *Globe and Mail*, June 24, 2015, www.theglobeandmail.com/report-on-business/rob-commentary/more-and-more-shoppers-are-online-so-where-are-the-retailers/article25078686/; Marina Strauss, "Gap expands Web shopping, eyes growth in Canada," *Globe and Mail*, August 23, 2012, www.theglobeandmail.com/globe-investor/gap-expands-web-shopping-eyes-growth-in-canada/article1378654/; Michael Krantz, "Click Till You Drop," *Time*, July 20, 1998, pp. 34–39; "Gap Inc. Creates Global Brand Management Structure to Drive the Company's Long-Term Growth," Gap Inc. [press release], October 16, 2012, www.gapinc.com/content/gapinc/html/media/pressrelease/2012/med_pr_GPS_Global_Brand_Management_Structure101612.html.

9. Darrell Rigby and Michael O'Sullivan, *Fighting Fire with Water—From Channel Conflict to Confluence* (Cambridge, MA: Bain & Company); D. Peppers and M. Rogers, "'Tis the season for E-retailing," *Sales and Marketing Management* 151 (1999), pp. 30–32.

10. For an overview of vertical marketing systems, see Lou E. Pelton, David Strutton, and James R. Lumpkin, *Marketing Channels*, 2nd ed. (Burr Ridge, IL: McGraw-Hill/Irwin, 2003); and Peter R.J. Trim and L. Yang-Im, "Vertically integrated organisational marketing systems: A partnership approach for retailing organisations," *Journal of Business & Industrial Marketing* 21 (2006), p. 151.

12. "Apple to Open 25 Retail Stores in 2001," Apple Computer [press release], May 15, 2001, www.apple.com/pr/library/2001/05/15Apple-to-Open-25-Retail-Stores-in-2001.html; Kevin Anderson, "Apple unveils its offline strategy," BBC NewsOnline, May 19, 2001, http://news.bbc.co.uk/2/hi/business/1339150.stm; Dennis Sellers, "Apple 'manifesto': 5 down, 95 to go," *Macworld*, May 15, 2001, www.macworld.com/article/1017497/manifesto.html.

13. For an extensive discussion on channel conflict, see Anne T. Coughlan, Erin Anderson, Louis W. Stern, and Adel I. El-Ansary, *Marketing Channels*, 6th ed. (Upper Saddle River, NJ: Prentice Hall, 2001); K.L. Webb and J.E. Hogan, "Hybrid channel conflict: Causes and effects on channel performance," *Journal of Business & Industrial Marketing* 17 (2002), pp. 338–356.

14. Sara Zucker, "Coke Returns to Costco with its Dignity Intact," *BrandChannel*, December 11, 2009, www.brandchannel.com/home/post/2009/12/11/Coke-Returns-To-Costco-With-Its-Dignity-Intact.aspx; Martinne Geller, "Costco to resume stocking Coca-Cola drinks," Reuters, December 10, 2009, www.reuters.com/article/2009/12/10/cocacola-costco-idUSN1020190520091210.

15. For an extensive discussion on power and influence in marketing channels, see Coughlan, et al., *Marketing Channels.*

16. *What's It All About?* (Oakbrook, IL: Council of Logistics Management, 1993); S.M. Rutner and C.J. Langley, "Logistics value: Definition, process and measurement," *International Journal of Logistics Management* 11 (2000), pp. 73–82.

17. This example is described in David Simchi-Levi, Philip Kaminsky, and Edith Simchi-Levi, *Designing and Managing the Supply Chain* (Burr Ridge, IL: McGraw-Hill/Irwin, 2000).

18. This discussion is based on Robyn Meredith, "Harder than the Hype," *Forbes*, April 16, 2001, pp. 188–194; R.M. Monczka and J. Morgan, "Supply Chain Management Strategies," *Purchasing*, January 15, 1998, pp. 78–85; Robert B. Handfield and Ernest L. Nichols, *Introduction to Supply Chain Management* (Upper Saddle River, NJ: Prentice Hall, 1998); and P. Charan, "Supply chain performance issues in an automobile company: A SAP-LAP analysis," *Measuring Business Excellence* 16 (2012), pp. 67–86.

19. Major portions of this discussion are based on Sunil Chopra and Peter Meindl, *Supply Chain Management: Strategy, Planning, and Operations* (Upper Saddle River, NJ: Prentice Hall, 2001); Marshall Fisher, "What Is the Right Supply Chain for Your Product?" *Harvard Business Review*, March 1997, pp. 105–117; and Pankaj M. Madhani, "Value creation through integration of supply chain management and marketing strategy," *IUP Journal of Business Strategy* 9 (2012), pp. 7–26.

20. Sophia Harris, "Walmart quest to be Canada's No. 1 grocer," *CBC News*, August 13, 2016, www.cbc.ca/news/business/walmart-grocery-store-1.3717480; Don Pittis, "Why Walmart hit the bulls-eye Target missed: Don Pittis," *CBC News*,

www.cbc.ca/news/business/why-walmart-hit-the-bull-s-eye-target-missed-don-pittis-1.2953293; "Managing Risk in Our Supply Chain," Walmart, accessed at www.walmartcanada.ca/product-sourcing/responsible-sourcing/managing-risk; "Case Study: Why Walmart implemented cross-docking for supply chain success," *Crossdock Manitoba*, December 13, 2012, www.crossdock.mb.ca/blog/case-study-why-wal-mart-implemented-cross-docking-for-supply-chain-success/; "Walmart selects Isotrak to improve fleet visibility," *Isotrak*, March 14, 2015, http://isotrak.com/walmart-canada-selects-isotrak-to-improve-fleet-visibility/; Rebecca Walberg, "Never Lose Inventory Again," *Financial Post*, July 6, 2010, www.financialpost.com/Never+lose+inventory+again/3239772/story.html; Miguel Bustillo, "Wal-Mart Radio Tags to Track Clothing," *Wall Street Journal*, July 23, 2010, www.wsj.com/articles/SB10001424052748704421304575383213061198090.

21. A. Faske-Bornyke, " 'New bottle, same Sprite': Why Sprite is ditching its familiar green plastic bottle," The Toronto Star, July 30, 2022, accessed at www.thestar.com/business/2022/07/30/new-bottle-same-sprite-why-sprite-is-ditching-its-familiar-green-plastic-bottle.html; C. Lombardo, "Coca-Cola gives two brands a circular economy overhaul," *Strategy Online*, July 27, 2022, accessed at https://strategyonline.ca/2022/07/27/coca-cola-gives-two-brands-a-circular-economy-overhaul/?utm_source=newsletter&utm_medium=email&utm_campaign=coca-cola-gives-two-brands-a-circular-economy-overhaul&_u=g%2fXzro5G0Tc%3d; B. Sullivan, "Sprite is ditching its iconic green bottle — but environmentalists say it's not enough." NPR, July 28, 2022, accessed at www.npr.org/2022/07/28/1114242535/sprite-green-bottles-recycle.

1. Personal interviews with Greg Seelman, vice president of operations, and Don Wepf, founder, YARDLOCK Corporation, May 2023.

2. K. Cline, "The devil in the details," *Banking Strategies* 24 (1997); R. Trap, "Design your own jeans," *The Independent*, October 18, 1998, p. 22; H. Cho and S.S. Fiorito, "Self-service technology in retailing: The case of retail kiosks," *Symphonya* 1 (2010), pp. 42–54.

3. "Sales of retail trade in Canada from 2012 to 2021", Statista, www.statista.com/statistics/431661/sales-of-retail-trade-in-canada/#:~:text=In%202021%2C%20retail%20trade%20sales,percent%20in%20comparison%20to%202019.&text=The%20Canadian%20retail%20trade%20industry%20constantly%20grew%20between%202012%20and%202019.

4. Deloitte, Global Powers of Retailing 2023, accessed at www.deloitte.com/global/en/Industries/consumer/analysis/the-global-powers-of-

retailing.html.

5. Megan Delaire, "Here is where 25 new Zellers stores will open in Canada this year," *CTV News*, January 27, 2023, www.ctvnews.ca/business/here-is-where-25-new-zellers-stores-will-open-in-canada-this-year-1.6235651#:~:text=However%2C%20HBC%20announced%20in%202022,according%20to%20a%20media%20release; "Target Canada closing, ending 2-year foray," *CTV News*, April 12, 2015, www.ctvnews.ca/business/target-canada-closing-ending-2-year-foray-1.2323222; Marina Strauss and Jacquie McNish, "With Target, Canada's retail landscape set for massive makeover," *Globe and Mail*, January 13, 2011, www.theglobeandmail.com/globe-investor/with-target-canadas-retail-landscape-set-for-massive-makeover/article1868308; Duncan Hood, "Target won't kill Canadian retail: It will save it," *Canadian Business*, October 15, 2012, p. 4.

6. "Retail Trade-Establishments, Employees, and Payroll," *Statistical Abstract of the United States*, 120th ed. (Washington, DC: U.S. Department of Commerce, Bureau of the Census, 2000); G. Koretz, "Those Plucky Corner Stores," *Bloomberg Businessweek*, December 5, 1994, www.businessweek.com/stories/1994-12-04/those-plucky-corner-stores; J. Fraser, "Mapping out the treasure hunt," *Canadian Grocer* 122 (2008), p. 73.

12. Canadian Press, "Gap Canada stores to be included in North American closures: parent company," *CTV News*, March 1, 2019, https://windsor.ctvnews.ca/gap-canada-stores-to-be-included-in-north-american-closures-parent-company-1.4318768; Nathaniel Meyersohn, "Gap's plan to save itself: Shrink," CNN Business, November 21, 2018, www.cnn.com/2018/11/21/business/gap-old-navy-banana-republic-retail/index.html; Nathaniel Meyersohn, "Athleta may be the new Gap's best hope for survival," CNN Business, March 7, 2019, www.cnn.com/2019/03/07/business/athleta-hill-city-lululemon-gap/index.html.

8. Alexandra Lopez-Pacheco, "Customers expect quality even in recession," *National Post*, January 27, 2008, p. FP7; Carol Stephenson, "Thriving in turbulent times," *Ivey Business Journal*, May/June 2009, http://iveybusinessjournal.com/publication/thriving-in-turbulent-times/; Hollie Shaw, "Online sales complement brick-and-mortar retail, Harry Rosen CEO says," *Financial Post*, August 1, 2013, http://business.financialpost.com/2013/08/01/online-sales-complement-brick-and-mortar-retail-harry-rosen-ceo-says/.

9. Tim Manners, "Shopper Marketing," *Fast Company*, June 14, 2008, accessed at www.fastcompany.com/890025/shopper-marketing; "With U.S. consumers watching their wallets more than ever, tuning into shoppers' mindsets key to warding off brand switching," Nielsen [news release], October 16, 2008, www.nielsen.com/content/dam/corporate/us/en/newswire/uploads/2008/10/press_release18.pdf; "Shopper marketing," *Marketing*, 116 (2011), p. 29.

10. Marina Strauss, "Holt's opens doors a little more widely," *Globe and Mail*, September 1, 2010, www.theglobeandmail.com/report-on-business/holts-opens-doors-a-little-more-widely/article1693204/?cmpid=tgc; Hollie Shaw, "Holt Renfrew wants to make you feel welcome," *National Post*, September 2, 2010; Sarah Kelsey, "Holt Renfrew celebrates 175 years: Luxury retailer announces major expansion plans," *Huffington Post Canada*, September 7, 2012, www.huffingtonpost.ca/2012/09/07/holt-renfrew-celebrates-1_n_1864421.html.

11. S. Tarry, "Consumers in Canada increasingly embracing sustainability as pandemic continues study," November 1, 2021, accessed at https://retail-insider.com/retail-insider/2021/11/consumers-in-canada-increasingly-embracing-sustainability-as-pandemic-continues-study/; D. Jermyn, "Sustainability is a competitive advantage for Canada's Greenest Employers," *Canada's Greenest Employers 2022,* April 20, 2022, accessed at www.canadastop100.com/environmental/; R. Eagan, "The green capitalist," *Library Journal* 134 (2009); "Defining the Green Economy," ECO Canada, 2010, www.eco.ca/pdf/Defining-the-Green-Economy-2010.pdf; J.G. Hae, "Are fashion-conscious consumers more likely to adopt eco-friendly clothing?" *Journal of Fashion Marketing and Management* 15 (2011), pp. 178–193, doi:10.1108/13612021111132627; Dixie Gong, "10 Best Canadian Eco-Shops," *Flare*, March 28, 2013, www.flare.com/fashion/10-best-canadian-eco-shops/; "Corporate Social Responsibility," Foreign Affairs, Trade and Development Canada, October 22, 2013, www.international.gc.ca/trade-agreements-accords-commerciaux/topics-domaines/other-autre/csr-rse.aspx?lang=eng; "The Greening of Roots," Roots (n.d.), accessed at http://about.roots.com/on/demandware.store/Sites-RootsCorporate-Site/default/Link-Page?cid=THE_ENVIRONMENT_OurCommitment.

13. Valentina Palladino, "Apple Store receives trademark for 'distinctive design and layout,'" *Wired*, January 30, 2013, www.wired.com/design/2013/01/apple-store-trademark/; "Canadian Trade-Mark Data," Canadian Intellectual Property Office, October 22, 2013, www.cipo.ic.gc.ca/app/opic-cipo/trdmrks/srch/vwTrdmrk.do;jsessionid=0001aVzIlRWXB-TRtDf81OHAa5I:3UAPV7CT3?

lang=eng&status=OK&fileNumber=1503650&extension=0&startingDocumentIndexOnPage=1.

14. F.J. Mulhern and R.P. Leon, "Implicit Price Bundling of Retail Products: A Multiproduct Approach to Maximizing Store Profitability," *Journal of Marketing* 55 (1991), pp. 63–76; Scott Hamilton, "U.K. retail sales increase as discounts spur consumer demand," *Bloomberg*, July 18, 2013, www.bloomberg.com/amp/news/articles/2013-07-18/u-k-retail-sales-increase-as-discounts-spur-consumer-demand-1-.

15. F.S. By, "The 'sale' is fading as a retailing tactic—in pricing shift, 'everyday lows' replace specials," *Wall Street Journal*, March 1, 1989; G.K. Ortmeyer, J.A. Quelch, and W.J. Salmon, "Restoring Credibility to Retail Pricing," *MIT Sloan Management Review* 33 (1991), pp. 55–66; T. Busillo, "Bed, bath & more: A Canada first," *Home Textiles Today* 19 (1998), pp. 8, 23; Andria Cheng, "Wal-Mart pitches 'everyday low prices' overseas," *MarketWatch*, June 1, 2011, www.marketwatch.com/story/wal-mart-pitches-everyday-low-prices-overseas-2011-06-01.

16. W.B. Dodds, "In Search of Value: How Price and Store Name Information Influence Buyers' Product Perceptions," *Journal of Services Marketing* 5 (1991), pp. 27–36; D. Grewal, R. Krishnan, J. Baker, and N. Borin, "The effect of store name, brand name and price discounts on consumers' evaluations and purchase intentions," *Journal of Retailing* 74 (1998), pp. 331–352; N. Williams, "Profile: GM shifting gears from price to brand image," *Strategy* (2005), p. 53.

17. B. Brown, "Edmonton Makes Size Pay Off in Down Market," *Advertising Age*, January 27, 1992, pp. 4–5; "Facts," West Edmonton Mall website (n.d.), accessed at www.wem.ca/about-wem/facts; R. Warnica, "Taking West Edmonton Mall to New Jersey," *Maclean's*, October 3, 2011, p. 41.

18. N. Ramage, "Edo Japan leaves the malls behind," *Marketing* 108 (2003), p. 2; A.G. Hallsworth, K.G. Jones, and R. Muncaster, "The planning implications of new retail format introductions in Canada and Britain," *Service Industries Journal* 15 (1995), p. 148; B.J. Lorch, "Big Boxes, Power Centres and the Evolving Retail Landscape of Winnipeg: A Geographical Perspective," Institute for Urban Studies, University of Winnipeg, 2004.

20. K. Buscemi, "Vending gets smarter," *Appliance Manufacturer* 52 (2004), pp. 25–26; "Vending embraces growth and technology," *Beverage Industry* 102 (2011), pp. 118–119.

19. Hollie Shaw, "McDonald's Canada to add build-your-own burgers, table service," *Financial Post*, September 30, 2015, http://business.financialpost.com/news/retail-marketing/mcdonalds-canada-to-add-build-your-own-burgers-table-service; Marina Strauss, "McDonald's rolls out upscale options," *Globe and Mail,* September 30, 2015, www.theglobeandmail.com/report-on-business/mcdonalds-rolls-out-table-service-customized-burgers-in-upscale-shift/article26601464/.

21. David Brown, "IKEA ends home delivery of its popular catalogue," the message, July 31, 2019, https://the-message.ca/2019/07/31/ikea-ends-home-delivery-of-its-popular-catalogue/; Christopher Brown-Humes, "Ikea creates a challenge for postmen of the world: The store catalogue is published in 36 countries and is free, writes Christopher Brown-Humes," *Financial Times*, August 14, 2003; "IKEA appoints McCann New York as global agency of record to re-invent the IKEA catalogue," *Marketing Weekly News* [news release], August 2, 2011; "2014 IKEA Catalogue Comes to Life with Augmented Reality," IKEA Canada [press release], August 12, 2013, accessed at www.newswire.ca/en/story/1209085/2014-ikea-catalogue-comes-to-life-with-augmented-reality.

22. "Knockout strategies of the 90s: Telemarketing and direct marketing," *Canadian Business*, advertising supplement, March 1993, pp. 45–54; "Canada's Do Not Call Registry," *The Gazette*, December 29, 2007.

23. Nanette Byrnes, "Avon's new calling," *Bloomberg Businessweek*, September 18, 2000, accessed at www.businessweek.com/2000/00_38/b3699001.htm; D.B. Van, "Avon calling on global ad effort to change its image," *Marketing* 105 (2000), p. 6; "About Avon," Avon website (n.d.), accessed at www.avoncompany.com/aboutavon/avonmarkets.html.

24. M. Schifrin, "Okay, big mouth," *Forbes*, October 9, 1995, p. 47; V. Byrd and W. Zellner, "The Avon Lady of the Amazon," *Business Week*, October 23, 1994, www.businessweek.com/stories/1994-10-23/the-avon-lady-of-the-amazon; D.L. Duffy, "Direct selling as the next channel," *Journal of Consumer Marketing* 22 (2005), pp. 43–45; C. Rawlins and P.R. Johnson, "Let's party: The remarkable growth in direct sales," Allied Academies International Conference, Academy of Organizational Culture, Communications and Conflict Proceedings 10 (2005), pp. 47–50.

25. Tavia Grant, "More Canadians Shopping on Net," *Globe and Mail*, September 28, 2010, www.theglobeandmail.com/report-on-business/more-canadians-shopping-on-net/article1727434; Canadian Press, "Canadian retailers running out

of time on in e-commerce, report says," May 6, 2013, accessed at www.cbc.ca/news/business/canadian-retailers-running-out-of-time-in-e-commerce-report-says-1.1410261; Hollie Shaw, "Online retail sales to hit $34-billion in Canada by 2018," *Financial Post*, July 23, 2013, http://business.financialpost.com/2013/07/23/online-retail-sales-to-hit-40-billion-in-canada-by-2018/.

27. B. Hameed, "Facebook, Twitter Influences up to 28% of Online Buying Decisions," Startup Meme [blog], December 14, 2009, http://startupmeme.com/facebook-twitter-influences-upto-28-of-online-buying-decisions; L.p. Forbes, "Does social media influence consumer buying behavior? An investigation of recommendations and purchases," *Journal of Business & Economics Research* 11 (2013), p. 107; Lara O'Reilly, "Women make friends with 'liked' brands on Facebook," *Marketing Week*, August 9, 2012, p. 6.

28. S. Casimiro, "Shop Till You Crash: Just in time for Christmas, online retailing is getting bigger, smarter, faster, and easier. You'll notice we're not calling it flawless. Yet," *Fortune*, December 21, 1998, http://money.cnn.com/magazines/fortune/fortune_archive/1998/12/21/252661/index.htm; D.A. Pitta, "Internet currency," *Journal of Consumer Marketing* 19 (2002), pp. 539–540; "Lands' end improves online profitability via my virtual model technology," *Direct Marketing* 64 (2001), p. 11.

29. Wen-Jang Jih, "Effects of consumer-perceived convenience on shopping intention in mobile commerce: An empirical study," *International Journal of E-Business Research* 3 (2007), pp. 33–40, 43–48; J. Ramaprasad, "Online social influence and consumer choice: Evidence from the music industry," (Order No. 3364967, University of California, Irvine). ProQuest Dissertations and Theses (2009); "Consumers and Changing Retail Markets," Office of Consumer Affairs, Industry Canada, July 27, 2012, www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02096.html#a21; "5 Canadian consumer trends to shape the future of retail," *CBC News*, October 21, 2013, www.cbc.ca/news/business/5-canadian-consumer-trends-to-shape-the-future-of-retail-1.2129072.

30. Brad Tuttle, "Why Monday is e–retailers' favorite day of the week," *Time*, January 9, 2012, http://business.time.com/2012/01/09/why-monday-is-e-retailers-favorite-day-of-the-week/; Sean Silcoff, "What keeps online retail in Canada from clicking?" *Globe and Mail*, May 12, 2012, www.theglobeandmail.com/report-on-business/what-keeps-online-retail-in-canada-from-clicking/article4178807/?page=all; Ashante Infantry, "Not all Canadians love to shop online: study," *Toronto Star*, August 21, 2013, www.thestar.com/business/tech_news/2013/08/21/not_all_canadians_love_to_sho

p_online_study.html; Kevin Duong, "2014 Canada Digital Future in Focus," comScore, April 2014, www.comscore.com/Insights/Presentations_and_Whitepapers/2014/2014_Canada_Digital_Future_in_Focus.

31. Alexandra Lopez-Pacheco, "Welcome the New Consumer," *Financial Post*, October 5, 2010, www.canada.com/business/fp/money/Welcome+consumer/3551652/story.html.

32. Naresh Kumar, "Social Media Recommendations May Increase Online Purchases," PSFK.com, July 1, 2010, www.psfk.com/2010/07/social-media-recommendations-may-increase-online-purchases.html.

33. "Global Advertising: Consumers Trust Real Friends and Virtual Strangers the Most," Nielsen [news release], July 7, 2009, www.nielsen.com/us/en/newswire/2009/global-advertising-consumers-trust-real-friends-and-virtual-strangers-the-most.html.

35. J. Weidauer, "QR codes: Building a mobile loyalty program beyond key tags," Retail Customer Experience, April 20, 2010, www.retailcustomerexperience.com/article/21622/QR-codes-Building-a-mobile-loyalty-program-beyond-key-tags; C. Sherburne, "Are QR codes for real?" *Printing Impressions* 52 (2010), p. 36; M. Partee, "Everyone's going crazy for QR codes!" *Credit Union Management* 34 (2011), pp. 32–33.

36. "Retail's Mobility Imperative: A Measured Approach to the Emerging Channel," *Forbes Insight* (2010), www.forbes.com/forbesinsights/retailmobility/.

37. J. Boyd, "The web goes wireless—popular site operators set their sights on mobile users," *InternetWeek* 828 (2000), pp. 20–27; R. Shields, "Digital strategy: Are you making the most from mobile?" *Marketing Week*, November 2010, pp. 69–71; J. Wisniewski, "Mobile websites with minimum effort," *Online* 34 (2010), pp. 54–57; C. Murphy, "Mistakes," *InformationWeek* 1345 (2012), pp. 32–35.

1. Interview with Rosanne Caron, president, Out-of-Home Marketing Association of Canada, May 2013; "Innovative Western Union Canada Ad Campaign Recognized With Award," *Western Union News* , February 12, 2013, accessed at http://westernunioncanada.ca/news/content/innovative-western-union-canada-ad-campaign-recognized-with-award; "Western Union 5 for 50," Cassies.ca, accessed at http://cassies.ca/entry/viewcase/7261; "CASSIES Bronze: Western Union taps holiday traditions," *Strategy* , January 28, 2013, accessed at

http://strategyonline.ca/2013/01/28/cassies-bronze-western-union-taps-holiday-traditions/ .

2. Arianna Huffington, "The Brave New World of the 'New Media,'" *Advertising Week 2010* , January 26, 2010.

3. "Consumerology Report: Technology and the Consumer," Bensimon Byrne, January 2010, accessed at www.consumerology.ca .

4. "The Mobile Marketing Roadmap: How Mobile is Transforming Marketing for Targeting Next Generation Consumers," Mobile Marketing Association, accessed December 2013 at www.mmaglobal.com .

5. "2012 Cell Phone Consumer Attitudes Study," Le groupe Conseil/Quorus Consulting Group, April 23, 2012, accessed at http://cwta.ca/facts-figures/ .

6. "Mobile Future in Focus 2013," comScore, February 2013, accessed at www.comscore.com .

7. "2014 Canada Digital Future in Focus," comScore, April 2014, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2014/2014_Canada_Digital_Future_in_Focus .

8. "Media Metrix Data for Canada," comScore, August 2013, accessed at www.comscore.com .

9. "Cross Media Reach and Time Spent 2013, RTS data," TVB Canada, November 2013, accessed at www.tvb.ca/pages/RTS .

10. "AOL Agrees to Acquire The Huffington Post," AOL and The Huffington Post, press release, February 7, 2011, accessed at www.huffingtonpost.com/2011/02/07/aol-huffington-post_n_819375.html .

11. Steve Ladurantaye, "The Globe to roll out metered paywall as industry shifts to digital revenue," *Globe and Mail* , October 15, 2012, accessed at www.theglobeandmail.com/report-on-business/the-globe-to-roll-out-metered-paywall-as-industry-shifts-to-digital-revenue/article4612259/; Rachel McAthy, "Globe and Mail to launch metered paywall next week," Journalism.co.uk, October 15, 2012, accessed at www.journalism.co.uk/news/canada-globe-and-mail-to-launch-metered-paywall/s2/a550783/ .

12. Chris Powell, "Globe's Stackhouse on Editorial Incentives and Driving Subscriptions," *Marketing* , October 9, 2013, accessed at www.marketingmag.ca/news/media-news/globes-stackhouse-on-editorial-incentives-and-driving-subscriptions-90724; Sarah Marshall, "Why the Globe and Mail is 'incentivising' newsroom staff," Journalism.co.uk, October 8, 2013, accessed at www.journalism.co.uk/news/-wpe13-why-the-globe-and-mail-is-incentivising-newsroom-staff-/s2/a554375/; Sarah Marshall, "#editors13: Paywall lessons from Canada's Globe and Mail," Journalism.co.uk, June 3, 2013, accessed at www.journalism.co.uk/news/-editors13-paywall-lessons-from-canada-s-globe-and-mail/s2/a553140/ .

13. Anne Austin, Jonathan Barnard, and Nicola Hutcheon, "Advertising Expenditure Forecasts—September 2013," ZenithOptimedia.

14. "Real-Time Marketing Is Madison Avenues's Next Big Challenge," *The Economist Group* , March 21, 2013, accessed at www.economistgroup.com/leanback/social-media/real-time-marketing-is-madison-avenues-next-big-challenge/; Steve Hall, "7 Steps to Becoming a World-Class Real-Time Marketer," *HubSpot* blog, March 26, 2013, accessed at http://blog.hubspot.com/how-to-be-a-world-class-real-time-marketer; Rebecca Lieb, "7 Inspiring Examples of Real-Time Marketing in Action," *HubSpot* blog, October 12, 2012, accessed at http://blog.hubspot.com/blog/tabid/6307/bid/33696/7-Inspiring-Examples-of-Real-Time-Marketing-in-Action.aspx .

15. Jennifer Rooney, "Behind the Scenes of Oreo's Real-Time Super Bowl Slam Dunk," *Forbes* , February 4, 2013, accessed at www.forbes.com/sites/jenniferrooney/2013/02/04/behind-the-scenes-of-oreos-real-time-super-bowl-slam-dunk/; Ryan Caligiuri, "Four ways to build on Oreo's winning Super Bowl marketing play," *Globe and Mail* , February 15, 2013, accessed at www.theglobeandmail.com/report-on-business/small-business/sb-marketing/advertising/four-ways-to-build-on-oreos-winning-super-bowl-marketing-play/article8616201/; Gian LaVecchia, "Oreo's 'Dunk in the Dark' Strategy and the Future of Real-Time Marketing," *Fast Company* , April 18, 2013, accessed at www.fastcompany.com/3008486/oreos-dunk-dark-strategy-and-future-real-time-marketing .

16. "What is Content Marketing?" Content Marketing Institute, accessed at http://contentmarketinginstitute.com/what-is-content-marketing/; "Content Marketing: Harnessing the Power of Content to Fuel your Brand," American Marketing Association, events, April 2013, brochure accessed at

www.marketingpower.com/Calendar/Documents/FY13%20Training%20Series/Q4/ContentMarketing_Apr_Brochure.pdf .

17. Joe Pulizzi, "Build a Brand Content Empire: What You Can Learn From LEGO," Content Marketing Institute, June 22, 2013, accessed at http://contentmarketinginstitute.com/2013/06/build-brand-content-empire-learn-from-lego/; Christopher Ratcliff, "The LEGO Movie's solid social marketing strategy," *Econsultancy* blog, November 6, 2013, accessed at http://econsultancy.com/ca/blog/63745-the-lego-movie-s-solid-social-marketing-strategy; Svend Hollensen, "LEGO Global Marketing," *Global CMO* , September 2013, accessed at www.theglobalcmo.com/lego-global-marketing/; "The Lego Empire," CBC Saskatchewan, June 12, 2013, accessed at www.cbc.ca/morningedition/episode/2013/06/12/the-lego-empire/ .

18. comScore data, December 2013, accessed March 2014 from http://mymetrix.comscore.com .

19. "MMA Updates Definition of Mobile Marketing," accessed December 2013 at www.mmaglobal.com/node/11102 .

20. "Murphy's When It Rains It Pours Case Study," Publicis Dublin, May 2013, accessed at http://vimeo.com/64886847; "When It Rains It Pours," accessed January 2014 at www.murphys.com/whenitrainsitpours/; "The Cannes Mobile Lions winners 2013: The award-winning mobile campaigns with case studies and videos," MobiThinking, accessed January 2014 at http://mobithinking.com/mobile-awards/Cannes; "Publicis Dublin Scores at Cannes with Murphy's App," *AdWorld News* , accessed January 2014 at www.adworld.ie/news/read/?id=8f9b58ea-d287-491e-8d0e-f8c20c9fafa4 .

21. "SickKids' iPhone app, Pain Squad, helps children with cancer report their pain," *Toronto Star* , May 7, 2012, accessed at www.thestar.com/business/2012/05/07/sickkids_iphone_app_pain_squad_helps_children_with_cancer_report_their_pain.html; Cundari, "Case Study: Pain Squad Mobile App—Helping Young Cancer Patients Track Pain," AIGA, March 8, 2013, accessed at www.aiga.org/case-study-pain-squad-app/; Christine Wong, "A checkup on Pain Squad, the Canadian app that gamified health care," CommerceLab, October 10, 2013, accessed at www.commercelab.ca/a-checkup-on-pain-squad-the-canadian-app-that-gamified-health-care/; "Pain Squad," Cassies Winners 2013, accessed January 2014 at http://cassies.ca/entry/viewcase/7099 .

22. Google, "Real Beauty Shines Through: Dove Wins Titanium Grand Prix, 163 Million Views on YouTube," Google Think Insights, June 2013, accessed at

www.google.ca/think/case-studies/dove-real-beauty-sketches.html; News release, "Dove recreates Real Beauty Sketches for Canadian moms," PR Newswire, May 12, 2013, accessed at www.prnewswire.com/news-releases/dove-recreates-real-beauty-sketches-for-canadian-moms-207121581.html; "Six in 10 girls quit activities they love because of how they feel about their looks," CNW, news release, April 9, 2013, accessed at www.newswire.ca/en/story/1143231/six-in-10-girls-quit-activities-they-love-because-of-how-they-feel-about-their-looks; Dove Canada's YouTube channel, www.youtube.com/user/DoveCanada; Dove website, www.unilever.ca/brands/personalcarebrands/dove.aspx .

23. Nina Bahadur, "Dove 'Real Beauty' Campaign Turns 10: How A Brand Tried To Change The Conversation About Female Beauty," *Huffington Post* , January 21, 2014, accessed at www.huffingtonpost.com/2014/01/21/dove-real-beauty-campaign-turns-10_n_4575940.html; Maryam Siddiqi, "A Cultured Life: Dove's latest 'Real Beauty' ads are about selling soap, but they raise debate over body image, too," *National Post* , April 23, 2013, accessed at http://life.nationalpost.com/2013/04/23/a-cultured-life-doves-latest-real-beauty-ads-are-about-selling-soap-sure-but-they-raise-debate-over-body-image-too/; Google, "Real Beauty Shines Through: Dove Wins Titanium Grand Prix, 163 Million Views on YouTube," Google Think Insights, June 2013, accessed at www.google.ca/think/case-studies/dove-real-beauty-sketches.html; Dove Canada's YouTube channel, www.youtube.com/user/DoveCanada; Dove website, www.unilever.ca/brands/personalcarebrands/dove.aspx .

24. Next Generation Day event, Toronto, January 29, 2014 at 2014 Advertising and Marketing Week.

25. "Competition Bureau Secures Over $9 Million and Money Back to Victims for Business Scam," Competition Bureau, March 2, 2012, accessed at www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03439.html; Ashley Weber, "Canadian court comes down hard on misleading business directory scam," Stikeman Elliott, March 15, 2012, accessed at www.thecompetitor.ca/2012/03/articles/competition/competition-bureau/canadian-court-comes-down-hard-on-misleading-business-directory-scam/#more; "Competition Bureau Sues to Shut Down Business Directory Scam," Competition Bureau, July 28, 2011, accessed at www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03394.html .

26. Personal interview with Livia Grulich, co-founder and managing director On-Q Communications, and Gene Swinton, national marketing manager Baskin-Robbins.

27.*Maclean's* 2014 advertising rates, accessed at www.rogersmedia.com/brands/macleans/ .

28. Carly Lewis, "RBC goes back to school in new web series," *Marketing* , July 16, 2013, accessed at www.marketingmag.ca/news/marketer-news/rbc-goes-back-to-school-in-new-web-series-83654; Stephanie Startz, "Webisodes Offer Brands Like Ikea, Sara Lee and Maybelline a New Outlet," *BrandChannel* , November 25, 2009, accessed at www.brandchannel.com/home/post/2009/11/25/Webisodes-Offer-Brands-Like-Ikea-Sara-Lee-And-Maybelline-A-New-Outlet.aspx .

29. Canadian Media Directors' Council, "Media Digest 2013/2014," *Marketing* magazine, 2013.

30. Ibid.

31. "PMB 2013 Fall Topline Report," Print Measurement Bureau, accessed at www.pmb.ca .

32. Canadian Media Directors' Council, "Media Digest 2013/2014."

33. "Leo Burnett and Raising the Roof see great potential in homeless youth," Leo Burnett, press release, February 24, 2011, accessed at www.raisingtheroof.org/RaisingTheRoof/media/RaisingTheRoofMedia/Documents/Releases/Ad-Campaign-Media-Release.pdf; Raising the Roof website, accessed at www.raisingtheroof.org/; "On Toque Tuesday, buy a toque (or socks!) and help Canada's 200,000 homeless," Raising the Roof, media release, February 3, 1014, accessed at www.raisingtheroof.org/RaisingTheRoof/media/RaisingTheRoofMedia/Documents/Releases/Media-Release-2014-FINAL.pdf; Leo Burnett Worldwide, "Raising the Roof —Repackaging help," YouTube video, May 14, 2013, accessed at www.youtube.com/watch?v=Ior8bhBroo8&list=PL3IbgymsTKo68VHl1NR-eJeaw-fOrXiEd .

35. Sarah Schmidt, "CFIA allows non-accredited labs to do some listeria work," *National Post* , April 29, 2009, accessed at www.nationalpost.com/CFIA+allows+accredited+labs+some+listeria+work/1547167/story.html; "Maple Leaf Foods Media Statement," CNW Group, news release, March 4, 2009, accessed at www.newswire.ca/en/releases/archive/March2009/04/c5969.html; "Maple Leaf Listeriosis Settlement Headed to Courts for Approval," CNW Group, news release, February 2, 2009, accessed at www.newswire.ca/en/releases/archive/March2009/04/c5969.html; "CFIA still

moving on Listeria recommendations," CBC News, October 24, 2010, accessed at www.cbc.ca/health/story/2010/10/22/con-listeria-report.html; "Maple Leaf settles class action listeriosis lawsuits for $27M," CBC News, December 18, 2008, accessed at www.cbc.ca/canada/story/2008/12/18/listeriosis-settlement.html#ixzz1EQB5fskP .

36. David Biello,"How Did the BP Oil Spill Affect Gulf Coast Wildlife?" *Scientific American* , April 20, 2011, accessed at www.scientificamerican.com/article/how-did-bp-oil-spill-affect-gulf-of-mexico-wildlife-and-ecosystems/; Mark Schleifstein, "National Wildlife Federation says environmental effects of BP spill far from over," *Times-Picayune* , April 2, 2013, accessed at www.nola.com/news/gulf-oil-spill/index.ssf/2013/04/national_wildlife_federation_s_1.html .

37. "Made in Bangladesh," The Fifth Estate, CBC, October 11, 2013, accessed at www.cbc.ca/fifth/episodes/2013-2014/made-in-bangladesh; "Bangladesh garment workers to get compensation from Loblaw," CBC News, October 24, 2013, accessed at www.cbc.ca/news/business/bangladesh-garment-workers-to-get-compensation-from-loblaw-1.2223499; "Q&A: Loblaw," The Fifth Estate, CBC, October 11, 2013, accessed at www.cbc.ca/fifth/blog/qa-loblaws; "Loblaw official statement," The Fifth Estate, CBC, October 11, 2013, accessed at www.cbc.ca/fifth/blog/loblaw-official-statement; Marina Strauss and Bertrand Marotte, "Loblaw outlines Bangladesh compensation plan," *Globe and Mail* , October 24, 2013, accessed at www.theglobeandmail.com/report-on-business/international-business/loblaw-to-compensate-victims-of-bangladesh-factory-collapse/article15041964/ .

38. G oogle, "Real Beauty Shines Through: Dove Wins Titanium Grand Prix, 163 Million Views on YouTube," Google Think Insights, June 2013, accessed at www.google.ca/think/case-studies/dove-real-beauty-sketches.html .

39. "ROLL UP THE RIM TO WIN®CONTEST—2013," Tim Hortons website, accessed at www.rolluptherimtowin.com/en/in-restaurant-rules-and-redemption.php; Chris Powell, "The Roll Up The Rim Marketing Phenomenon," *Marketing* , February 25, 2011, accessed at www.marketingmag.ca/news/marketer-news/the-roll-up-the-rim-marketing-phenomenon-23355 .

41. Adapted from the Word of Mouth Marketing Association, "WOM—COMM 101," accessed at http://womma.org/wom101 .

42. "Groupon Dresses Up to Celebrate Five Years with New Website, Mobile Apps," Groupon, news release, November 1, 2013, accessed at

http://investor.groupon.com/releasedetail.cfm?ReleaseID=803467; Groupon website, accessed January 23, 2014, at www.groupon.com; Reuters, "Online advertising business Groupon's IPO expected to sell at US$31.59 a share," *National Post* , January 3, 2011, accessed at www.nationalpost.com/todays-paper/Online+advertising+business+Groupon+expected+sell+share/4051382/story.html; NBC Today Show, aired December 4, 2009, accessed at www.youtube.com/watch?v=54WKCfjLinU; Michael Hickins "The Groupon Frodo Memo," *Wall Street Journal* blog, February 25, 2011, accessed at http://blogs.wsj.com/digits/2011/02/25/the-groupon-frodo-memo .

1. Personal interview with Jake Rich, president and founder, Rich Media.

2. "AdReaction 2012—Global Report: Marketing in the Mobile World," Millward Brown, December 2012, accessed at www.warc.com .

3. "The Mobile Marketing Roadmap: How Mobile is Transforming Marketing for Targeting Next Generation Consumers," Mobile Marketing Association, accessed December 2013 at www.mmaglobal.com .

4. "MMA Updates Definition of Mobile Marketing," accessed December 2013 at www.mmaglobal.com/node/11102 .

5. "The Mobile Marketing Roadmap," Mobile Marketing Association; PCmag.com Encyclopedia, accessed December 2013 at www.pcmag.com/encyclopedia/term/62894/feature-phone .

6. "2014 Canada Digital Future in Focus," comScore, April 2014, accessed at www.comscore.com/Insights/Presentations_and_Whitepapers/2014/2014_Canada_Digital_Future_in_Focus .

7. "The Mobile Marketing Roadmap," Mobile Marketing Association; "2012 Cell Phone Consumer Attitudes Study," Le groupe Conseil/Quorus Consulting Group, April 23, 2012, accessed at http://cwta.ca/facts-figures/; "2014 Canada Digital Future in Focus," comScore.

8. comScore (2015) 2015 Canada Digital Future in Focus. Available at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus (accessed Dec 2016)

9. Gregor Smith, "The Impact of Connected Devices on Consumer Behaviour, "comScore, Mobile World Congress presentation, February 2013, accessed at

www.comscore.com/Insights/Presentations_and_Whitepapers/2013/The_Impact_of_Connected_Devices_on_Consumer_Behavior .

10. "Our Mobile Planet: Canada Understanding the Mobile Consumer," Ipsos MediaCT, May 2013, accessed at www.thinkwithgoogle.com/mobileplanet/en/ .

11. "2012 Cell Phone Consumer Attitudes Study," Quorus Consulting group.

12. "AdReaction 2012," Millward Brown.

13. "Mobile app marketing quick start guide, 2010-2011" Canadian Marketing Association, CMA Mobile Marketing Taskforce, accessed at www.the-cma.org; Nathan Ingraham, "Apple announces 1 million apps in the App Store, more than 1 billion songs played on iTunes radio," *The Verge* , October 22, 2013, accessed at www.theverge.com/2013/10/22/4866302/apple-announces-1-million-apps-in-the-app-store; Chris Welch, "Google: Android app downloads have crossed 50 billion, over 1M apps in Play," *The Verge* , July 24, 2013, accessed at www.theverge.com/2013/7/24/4553010/google-50-billion-android-app-downloads-1m-apps-available .

14. Michelle Maisto, "Apps, Marketing and the Cloud: Gartner Predictions for 2013," *eWeek* , October 12, 2012, accessed at www.eweek.com/mobile/apps-marketing-and-the-cloud-gartner-predictions-for-2013 .

15. "Our Mobile Planet: Canada Understanding the Mobile Consumer," Ipsos MediaCT.

16. "2012 Cell Phone Consumer Attitudes Study," Quorus Consulting group.

17. "AdReaction 2012," Millward Brown.

18. Raluca Budiu, "Mobile: Native Apps, Web Apps, and Hybrid Apps," Nielsen Norman Group, September 14, 2013, accessed at www.nngroup.com/articles/mobile-native-apps/ .

19. Ernst & Young, "2013 Actual + 2014 Estimated Canadian Internet Advertising Revenue Survey," IAB Canada, September 17, 2014, accessed at http://iabcanada.com/files/Canadian-Internet-AdRev-Survey_2013-14.pdf; "Mobiles to drive faster global advertising growth: Publicis unit," Reuters, December 8, 2013, accessed at www.reuters.com/article/2013/12/09/us-advertising-spend-idUSBRE9B800420131209; Brent Bernie, "Brave New DigitalWorld—What media measurement business must address," comScore, IAB

Canada Mixx presentation, March 21, 2013; "Annual Online Advertising Revenue Reports," IAB Canada, accessed at http://iabcanada.com/research/revenue-reports/ .

20. "AdReaction 2012," Millward Brown.

21. "Salesforce.com Introduces Salesforce1," Salesforce, news release, November 19, 2013, accessed at www.salesforce.com/company/news-press/press-releases/2013/11/131119.jsp; Salesforce1 for Android, accessed December 2013 at https://play.google.com/store/apps/details?id=com.salesforce.chatter&hl=en; "Introducing the Salesforce1 mobile app," Salesforce website, accessed December 2013 at www.salesforce.com/mobile/service/; "Service Cloud Product Overview," Salesforce website, accessed at www.salesforce.com/ca/service-cloud/features/?d=70130000000tGOz&internal=true; discussion with Salesforce, January 2014.

22. Text messaging stats accessed December 2013 at the Canadian Wireless Telecommunications Association website for administering CSC messaging at http://txt.ca/english/consumer/press.html .

23. "Competition Bureau Sues Bell, Rogers and Telus for Misleading Consumers: Bureau Seeks Customer Refunds and $31 Million In Penalties," Competition Bureau, September 14, 2012, accessed at www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03498.html; Laura Payton, "Text message costs prompt suit against Bell, Rogers, Telus," CBC.ca. September 14, 2012, accessed at www.cbc.ca/news/politics/text-message-costs-prompt-suit-against-bell-rogers-telus-1.1144226; Canadian Press, "Competition Bureau sues Canada's three wireless giants over texting advertising," *Maclean's* , September 14, 2012, accessed at www2.macleans.ca/2012/09/14/competition-bureau-sues-canadas-three-wireless-giants-over-texting-advertising/ .

24. Geoff Linton, "Infographic: Email Opens on Mobile Devices SPIKE again in 2013," Canadian Marketing Association, June 12, 2013, accessed at www.the-cma.org/about/blog/infographic-email-opens-on-mobile-devices-spike-again-in-2013 .

25. "Mattel and Walmart Canada Offer Holiday Shoppers Toys on the Go," PR Newswire, press release, November 4, 2013, accessed at www.prnewswire.com/news-releases/mattel-and-walmart-canada-offer-holiday-shoppers-toys-on-the-go-230475721.html; Vanessa Milne, "Mattel and Walmart Partner Again To Expand Virtual Store Concept," *Marketing* , November 4, 2013, accessed at www.marketingmag.ca/news/marketer-news/mattel-and-walmart-partner-again-to-expand-virtual-store-concept-92868; Chantal Tode, "Walmart,

Mattel boost QR code-driven toy sales with more locations," *Mobile Commerce Daily* , November 6, 2013, accessed at www.mobilecommercedaily.com/walmart-mattel-boost-qr-code-driven-toy-sales-with-more-locations .

26. "The CRTC Wireless Code," Canadian Radio-television and Telecommunications Association, accessed December 2013 at www.crtc.gc.ca/eng/info_sht/t13.htm; "CRTC wireless code comes into force: Canadians can cancel their contracts without penalty after two years," Canadian Radio-television and Telecommunications Association, news release, December 2, 2013, accessed at www.crtc.gc.ca/eng/com100/2013/r131202.htm#.UqMX0MRDuSo .

27. Jason Kerr, "Text Messaging in Canada," Canadian Wireless Telecommunications Association; "Canada standard rate short code pricing," Clickatell, November 18, 2010, accessed at www.clickatell.com/downloads/Clickatell_Canadian_Shortcode_pricing_revenue_share.pdf; "Canadian Common Short Code Application Guidelines Version 2.2," Canadian Wireless Telecommunications Association, August 9, 2012, accessed at www.txt.ca/english/business/doc/Canadian%20Common%20Short%20Code%20Application%20Guidelines.pdf .

28. "Global Code of Conduct," Mobile Marketing Association, July 15, 2008, accessed at www.mmaglobal.com/bestpractice .

84. "Winning in Mobile: 8 New Principles for Today's Marketers," Mobile Marketing Association, November 2015, www.mmaglobal.com/documents/winning-mobile-8-new-principles-todays-marketers; "A SMoX Executive Summary on Cross-Marketing Effectiveness," Mobile Marketing Association.

30. Louise Julig, "3 Ways Sharpie Is Engaging Teens with Social Media," *Social Media Examiner*, January 31, 2013, accessed at www.socialmediaexaminer.com/connect-with-teens-on-social-media-sharpie-case-study/; Jennifer Boshan, "A Creative Social Media Marketing Mini Case Study: Sharpie," Rooftop Agency, April 2012, accessed at, http://rooftopagency.com/2012/04/a-creative-social-media-marketing-mini-case-study-sharpie/; Kelly Jennex, "Social Media Outreach: Examples From Molson, Sharpie & Ford," InNetwork, April 10, 2013, accessed at http://innetwork.net/2013/04/social-media-outreach-examples/.

31. Greenpeace Kit Kat Killer website, accessed at www.greenpeace.org/international/en/campaigns/climate-change/kitkat/.

32. "Sweet success for Kit Kat campaign: you asked, Nestlé has answered," Greenpeace, news release, May 17, 2010, accessed at www.greenpeace.org/international/en/news/features/Sweet-success-for-Kit-Kat-campaign/; Simon Houpt,"Kit Kat spat goes viral despite Nestlé's efforts," *Globe and Mail*, May 17, 2010, accessed at www.theglobeandmail.com/report-on-business/kit-kat-spat-goes-viral-despite-nestles-efforts/article4313965/; Robin Shreeves, "Greenpeace and Nestle in a Kat Fight," *Forbes*, March 19, 2010, accessed at www.forbes.com/2010/03/18/kitkat-greenpeace-palm-oil-technology-ecotech-nestle.html; Greenpeace Kit Kat Killer website, accessed at www.greenpeace.org/international/en/campaigns/climate-change/kitkat/; " Greenpeace vs. Nestle," CNN, May 23, 2010, accessed at www.cnn.com/video/?/video/world/2010/05/23/int.eco.naidoo.nestle.cnn.

33. comScore data, August 2014, accessed at http://mymetrix.comscore.com.

34. Timothy Stenovec "Myspace History: A Timeline of the Social Network's Biggest Moments," *Huffington Post*, June 29, 2011, accessed at www.huffingtonpost.com/2011/06/29/myspace-history-timeline_n_887059.html#s299496title=August_2003_Myspace; Felix Gillette, "The Rise and Inglorious Fall of Myspace," *Bloomberg Businessweek*, June 22, 2011, accessed at www.businessweek.com/magazine/content/11_27/b4235053917570.htm; Nicholas Jackson, "As MySpace Sells for $35 Million, a History of the Network's Valuation," *The Atlantic*, June 29, 2011, accessed at www.theatlantic.com/technology/archive/2011/06/as-myspace-sells-for-35-million-a-history-of-the-networks-valuation/241224/; Michele Catalano, "MySpace Attempts to Rise from the Ashes," *Forbes*, January 17, 2013, accessed at www.forbes.com/sites/michelecatalano/2013/01/17/myspace-attempts-to-rise-from-the-ashes/; Molly McHugh, "Myspace now boasts 36M users and a 340 percent increase in artists using the network," *Digital Trends*, October 1, 2013, accessed at www.digitaltrends.com/social-media/myspace-releases-new-user-numbers/#!zxkwj.

35. Facebook Newsroom, March 2014, accessed at https://newsroom.fb.com/Key-Facts.

36. "Top Brands on Facebook: Content, Tactics & Engagement. A Study of the Interbrand Top 100 Brands on Facebook," *Simply Measured* blog, July 2013, accessed at http://cdn.simplymeasured.com/wp-content/uploads/2013/08/SimplyMeasured-Facebook-Study-July-2013.pdf.

37. David Griner, "Oreo Surprises 26 Million Facebook Fans with Gay Pride Post; Photo goes viral but also sparks backlash," *Adweek*, July 25, 2012, accessed at www.adweek.com/adfreak/oreo-surprises-26-million-facebook-fans-gay-pride-post-141440.

38. YouTube statistics accessed March 2014 at www.youtube.com/yt/press/statistics.html; Facebook 2013 awards accessed at www.facebook-studio.com/gallery/submission/oreo-daily-twist.

40. Craig Smith, "(February 2014) By the Numbers: 21 Amazing Google+ Statistics," DMR Digital Marketing Ramblings, February 2, 2014, accessed at http://expandedramblings.com/?p=16715; Matt McGee, "Google+ Hits 300 Million Active Monthly "In-Stream" Users, 540 Million Across Google," *Marketingland*, October 29, 2013, accessed at http://marketingland.com/google-hits-300-million-active-monthly-in-stream-users-540-million-across-google-63354.

41. Twitter website accessed at https://about.twitter.com/company; Craig Smith, "How many use 415 of the top social media, apps, & tools (March 2014)," DMR Digital Marketing Ramblings, March 9, 2014, accessed at http://expandedramblings.com/index.php/resource-how-many-people-use-the-top-social-media/4/#.UybwifldWSo.

42. Jade Furubayashi, "[INFOGRAPHIC] How Top Brands Are UsingTwitter," *Simply Measured* blog, January 30, 2014, accessed at http://simplymeasured.com/blog/2014/01/30/infographic-how-top-brands-are-using-twitter/; Taylor Soper, "Social media study: Here's how the world's top brands effectively use Twitter," *GeekWire*, January 21 2014, accessed at www.geekwire.com/2014/social-media-study-top-brands-twitter/.

43. Christopher Heine, "Arby's Dishes on Awesome Pharrell Williams Tweet. It took 'just a few seconds' to write," *AdWeek*, March 7, 2014, accessed at www.adweek.com/news/technology/arbys-dishes-awesome-pharrell-williams-tweets-156149; Adam Schoenfeld, "Measuring The Impact of One Perfect Tweet: Arby's Case Study," *Simply Measured* blog, March 4, 2014, accessed at http://simplymeasured.com/blog/2014/03/05/measuring-the-impact-of-one-perfect-tweet-arbys-case-study/.

44. LinkedIn website accessed at www.LinkedIn.com; Nate Smitha, "10 Top Brands Driving Engagement on LinkedIn," *Simply Measured* blog, July 12, 2013, accessed at http://simplymeasured.com/blog/2013/07/12/10-top-brands-driving-engagement-on-linkedin/.

45. "As Instagram Rolls Out Ad Platform, Brands Are Seeing Record Engagement," Business Wire, news release, October 29, 2013 accessed at www.businesswire.com/news/home/20131029005603/en/Instagram-Rolls-Ad-Platform-Brands-Record-Engagement#.Uybs7PldWSo.

46. Kevin Shively, "Why Tumblr is Worth $1.1 Billion To Yahoo," *Simply Measured* blog, May 20, 2513, accessed at http://simplymeasured.com/blog/2013/05/20/why-tumblr-is-worth-1-1-billion-to-yahoo/; Nate Smitha, "Should Tumblr Be A Part of Your Social Strategy?' *Simply Measured* blog, August 29, 2013, accessed at http://simplymeasured.com/blog/2013/08/29/should-tumblr-be-a-part-of-your-social-strategy/; Nate Smitha, "5 Tips To Succeed With Tumblr," *Simply Measured* blog, September 5, 2013, accessed at http://simplymeasured.com/blog/2013/09/05/5-tips-to-succeed-with-tumblr/.

47. Craig Smith, "(March 2014) By the Numbers: 59 Amazing Pinterest Stats," DMR Digital Marketing Ramblings, March 4, 2014, accessed at http://expandedramblings.com/index.php/pinterest-stats/; Josh Horwitz, "Semiocast: Pinterest now has 70 million users and is steadily gaining momentum outside the US," *The Next Web*, July 10, 2013, accessed at http://thenextweb.com/socialmedia/2013/07/10/semiocast-pinterest-now-has-70-million-users-and-is-steadily-gaining-momentum-outside-the-us/#!z9xUF; "Study: Instagram Proves More Effective than Pinterest for Top Brands," Business Wire, news release, May 9, 2013, accessed at www.businesswire.com/news/home/20130509005427/en/STUDY-Instagram-Proves-Effective-Pinterest-Top-Brands#.UyXjkfldWSo.

48. "Social Media Marketing Quick Start Guide," Canadian Marketing Association, CMA's Digital Marketing Council, 2013.

49. "Socialogue: Old Friends? Check. Long-lost Relatives? Sure. Brands? You Bet," Ipsos, January 22, 2013, accessed at www.ipsos-na.com/news-polls/pressrelease.aspx?id=5963.

1. Personal interview with Dennis Kwasnicki, president, The Paint Channel, May 2023.

2. Michael J. Cunningham, *Customer Relationship Management: Marketing*, 1st ed. (Oxford: Capstone Publishing, 2002); M.R. Ciraulo and K.S. Auman, "Insurers can unlock value via CRM," *National Underwriter* 106 (2002):. 27–29; Philip Kotler et al., *Principles of Marketing*, 7th Canadian edition (Toronto: Pearson, 2008).

3. Angela Reid and Daragh O'Brien, "Case study: Creating a single view of the customer for CRM strategy," *Interactive Marketing* 6 (2005): 357–365.

5. Dhruv Grewal, Michael Levy, and V. Kumar, "Customer experience management in retailing: An organizing framework," *Journal of Retailing* 85 (2009): 1–14, doi:10.1016/j.jretai.2009.01.001.

7. Michael Hinshaw, "Customer Satisfaction Is Not Enough—Why High Satisfaction Scores May Actually Spell Danger for Your Brand,"*Brandchannel*, November 19, 2010; John Ozimek, "The disloyalty ladder—two rungs further down," *Journal of Direct, Data and Digital Marketing Practice* 11 (2010): 207–218, doi:10.1057/dddmp.2009.45; Lucy Kimbell, "Designing for Service as One Way of Designing Services," *International Journal of Design* 5(2) (2011): 41–52.

8. "Why Some Companies Succeed at CRM (and Many Fail)," *Knowledge@Wharton*, January 15, 2003, accessed at http://knowledge.wharton.upenn.edu/article.cfm?articleid=699.

9. Susan E. Robinson, "Customer satisfaction: The Xerox Canada story," *Managing Service Quality* 7 (1997): 12–15.

10. Brent McKenzie, "Customer relationship management and customer recovery and retention: The case of the 407 express toll route," *Knowledge Management Research & Practice* 6 (2008): 155–163. doi:10.1057/kmrp.2008.5.

11. Barbara M. Talbott, "The Power of Personal Service : Why It Matters What Makes It Possible How It Creates Competitive Advantage," The Center for Hospitality Research, Cornell University, 2006: 6–14; "The Story of the Four Seasons," Four Seasons Hotels and Resorts, August 7, 2013, http://press.fourseasons.com/trending-now/corporate/the-story-of-four-seasons/.

12. K.W. Li, "The critical success factors of customer relationship management (CRM) technological initiatives," (Order No. MQ68423, Concordia University (Canada)), ProQuest Dissertations and Theses (2002); Soumaya Ben Letaifa and Jean Perrien, "The impact of E-CRM on organisational and individual behavior: The effect of the remuneration and reward system," *International Journal of E-Business Research* 3 (2007): 13–16, 18, 20–23.

13. Darrell Rigby, Frederick Reicheld, and Chris Dawson, "Winning customer loyalty is the key to a winning CRM strategy," *Ivey Business Journal*, 2003, accessed at http://iveybusinessjournal.com/topics/social-responsibility/winning-customer-loyalty-is-the-key-to-a-winning-crm-strategy#.Ujj8fhbvzR0.

14. Mario Johne, "Brand building after the merge," *CMA Management* 77 (2003): 32; Eric Beauchesne, "Customers Want Friendly Service Most," *Star Phoenix*, June 20, 2008.

15. A. Darling, "Social media & CRM: Conversation starter," *New Media Age*, 2010: 20–21; Rachael King, "How Companies Use Twitter to Bolster Their Brands," *Bloomberg Businessweek*, September 6, 2008, www.businessweek.com/technology/content/sep2008/tc2008095_320491.htm.

16. Colin Campbell, "Tuning into Twitter," *Maclean's*, October 7. 2010, www2.macleans.ca/2010/10/07/tuning-in-to-twitter/.

17. Carmi Levy, "Airlines use Twitter, other social tools to revolutionize customer service," *Toronto Star*, October 10, 2010, www.thestar.com/business/companies/porter/article/871979--airlines-use-twitter-other-social-tools-to-revolutionize-customer-service; N. Sreenivasan, C. Lee, and D. Goh, "Tweeting the friendly skies: Investigating information exchange among Twitter users about airlines," *Program: Electronic Library & Information Systems* 46 (2012): 21–42. doi:10.1108/00330331211204548

18. Ravi Sawhney, "Broken Guitar Has United Playing the Blues to the Tune of $180 Million," *Fast Company*, July 28, 2009, www.fastcompany.com/blog/ravi-sawhney/design-reach/youtube-serves-180-million-heartbreak; M. Unnikrishnan and R. Wall, "All That Twitters," *Aviation Week & Space Technology* 172 (2010): 42–44.

19. K. Barry, "Ford Bets the Fiesta on Social Networking," *Wired*, April 17, 2009, www.wired.com/autopia/2009/04/how-the-fiesta/all/1; "Power to the People! Fiesta Movement: A Social Remix Gives Control of New Ford Fiesta Ad Campaign to the People," Ford, press release, February 19, 2013, http://corporate.ford.com/news-center/press-releases-detail/pr-power-to-the-people-fiesta-37706; Stephen Edelstein, "Ford relaunches Fiesta movement Social Media marketing campaign," *Digital Trends*, February 20, 2013, accessed at www.digitaltrends.com/social-media/2014-ford-fiesta-goes-viral-with-fiesta-movement-social-media-campaign/.

20. Robin W. T. Buchanan and Crawford S. Gillies, "Value Managed Relationship: The Key to Customer Retention and Profitability," *European Management Journal* 8 (1990); Vikki Spencer, "Customer relationship management: Who is your customer?" *Canadian Underwriter* 68 (2001): 12–16; V. Kumar, R. Venkatesan, and B. Rajan, "Implementing profitability through a customer lifetime value management framework," *GfK Marketing Intelligence Review* 1 (2009):32–43, 64.

21. Ken Silverstein, "Salesforce Has Reached Sustainability Aims Using Green Energy and Offsets," *Environmental Leader*, July 8, 2022, accessed at www.environmentalleader.com/2022/07/salesforce-has-reached-sustainability-aims-using-green-energy-and-offsets/#:~:text=Using%20carbon%20offsets%2C%20it%20has,purchasing%20renewable%20energy%20from%20producers; "Salesforce's Marc Benioff on why social responsibility is every CEO's responsibility," *The CEO Magazine*, April 27, 2022, accessed at www.theceomagazine.com/business/coverstory/marc-benioff-social-responsibility/; "Salesforce Achieves Net Zero Across Its Value Chain and 100% Renewable Energy," *Salesforce*, September 21, 2021, accessed at www.salesforce.com/news/press-releases/2021/09/21/salesforce-achieves-net-zero-across-its-full-value-chain/.

23. David Friend, "Canadian companies aim for balance as customers expect more for loyalty," *Globe and Mail*, July 21, 2013, www.theglobeandmail.com/report-on-business/canadian-companies-aim-for-balance-as-customers-expect-more-for-loyalty/article13332480.

24. "About Us," Starwood Hotels and Resorts website (n.d.), Moments, accessed at http://auction.starwoodhotels.com/cgi-bin/ncommerce3/ExecMacro/static/aboutus.d2w/report?wl=67280009; "Loyalty is a virtue and it's rewarded when you travel," *National Post*, March 22, 2013, http://nationalpost.com/luxury-living/loyalty-is-a-virtue-and-its-rewarding-when-you-travel/wcm/6f2b32d2-ad70-4c6f-821a-7e1f53658c30.

25. "Reward yourself in style with RBC Rewards and Saks Fifth Avenue," RBC [press release], February 3, 2016, www.rbc.com/newsroom/news/2016/20160203-rewards-saks.html; Mark Brown, "Best retail rewards credit cards of 2016," *MoneySense*, August 24, 2016, www.moneysense.ca/spend/credit-cards/best-retail-rewards-credit-cards-of-2016/; Rob Carrick, "How to rid yourself of those pesky monthly banking fees," *Globe and Mail*, April 17, 2014, www.theglobeandmail.com/globe-investor/personal-finance/household-finances/free-banking-options-are-there/article18045437/.

26. "A Guide for Individuals Protecting Your Privacy," Office of the Privacy Commission of Canada, 2014, accessed at www.priv.gc.ca/information/pub/guide_ind_e.asp; Canada's Anti-Spam Legislation website, 2014, accessed at http://fightspam.gc.ca/eic/site/030.nsf/eng/home.

6. M.J.Jain, "Customer Relationship Management as a Tool to Enhance Customer Loyalty with Respect to Starbucks," NMIMS University, NMIMS Kirit P. Metha School of Law, March 13, 2023, accessed at https://papers.ssrn.com/sol3/papers.cfm?

abstract_id=4387082; D. Clair, "I worked as a Starbucks barista for over a year. Here are 9 signs you're about to get a bad drink," *Insider,* December 14, 2022, accessed at www.insider.com/signs-starbucks-order-will-be-messed-up-former-barista-2021-12; B. Marr, "Starbucks: Using Big Data, Analytics And Artificial Intelligence To Boost Performance," *Forbes*, accessed at www.forbes.com/sites/bernardmarr/2018/05/28/starbucks-using-big-data-analytics-and-artificial-intelligence-to-boost-performance/?sh=c6c90b165cdc; R. Harris, "Why Starbucks is Winning at Loyalty," *Marketing*, July 28, 2015, accessed at http://marketingmag.ca/brands/why-starbucks-is-winning-at-loyalty-152974/.

27. J. Łodziana-Grabowska," Significance of database marketing in the process of target segments identification and service," *Problems of Management in the 21st Century* (2013): 640–647; I. Gregurec, T. Ević, and D. Dobrinić, "The importance of database marketing in social network advertising," *International Journal of Management Cases* 13 (2011): 165–172.

28. Thomas J. Siragusa, "Implementing data mining for better CRM," *Customer Inter@ction Solutions* 19 (2001): 38–41; Jayanthi Ranjan and Vishal Bhatnagar, "Role of knowledge management and analytical CRM in business: Data mining based framework," *The Learning Organization* 18 (2011): 131–148, doi:10.1108/09696471111103731; Vikas Saraf, P Thakur, and L. Yadav, "CRM with data mining & warehouse: 'Optimizes customer insight,'" *International Journal of Marketing and Technology* 3 (2013): 177–187.

29. N. Sutton, "RBC creates e-marketing council to assess client data," *Computing Canada*, June 20, 2003: 6; Lawrence Ang and Francis Buttle, "CRM software applications and business performance," *Journal of Database Marketing & Customer Strategy Management* 14 (2006): 4–16.

30. John Lorinc, "How Canadian Tire is pioneering tomorrow's retail experience now," *Canadian Business*, February 29, 2016, www.canadianbusiness.com/lists-and-rankings/most-innovative-companies/canadian-tire/; Dana Flavelle, "What the data crunchers know about you," *The Toronto Star*, April 23, 2010, www.thestar.com/business/tech_news/2010/04/23/what_the_data_crunchers_know_about_you.html.

31. Ross Marowitz, "Metro preps for future of online grocery," *Canadian Grocer*, May 20, 2015, www.canadiangrocer.com/top-stories/metro-preps-for-future-of-online-grocery-53510; Peter Hadekel, "Loyalty Programs Start to Pay Off for Grocer Metro," *The Gazette*, November 24, 2010, www.montrealgazette.com/columnists/Loyalty+program+starts+grocer+Metro/3875329/story.html.

32. Carl Sewell and Paul Brown, *Customers for Life*, Doubleday Publishing, 2002.

22. Sandy MacGregor, "Coronavirus Cancellations: Here's What Canada's Travel Loyalty Programs Are Doing About Your Points," *Forbes*, April 2, 2020, www.forbes.com/sites/sandramacgregor/2020/04/02/coronavirus-cancellations-heres-what-canadas-travel-loyalty-programs-are-doing-about-your-points/#4f26bf896b38; Mark Brown, "The best Aeroplan credit card in the migration from CIBC to TD," *MoneySense*, January 21, 2014, www.moneysense.ca/save/debt/the-best-aeroplan-credit-card-in-the-migration-from-cibc-to-td/; Tim Kiladze, "TD, CIBC battle for Aeroplan loyalty," *The Globe and Mail*, June 27, 2013, www.theglobeandmail.com/report-on-business/td-to-take-over-as-aeroplan-provider-as-parent-to-split-with-cibc/article12852318/; Ross Marowits, "TD Bank wins battle for Aeroplan,"*Metro*, August 12, 2013, http://metronews.ca/news/canada/763882/td-bank-wins-battle-for-aeroplan/; "About Aeroplan," Aimia website, 2013, accessed at www.aimia.com/English/About/Our-Businesses/Aeroplan/default.aspx; Canadian Press, "TD, CIBC reach deal on Aeroplan credit card migration," *CBC News*, September 16, 2013, www.cbc.ca/news/business/td-cibc-reach-deal-on-aeroplan-credit-card-migration-1.1855664.

33. "Winning Back Lost Customers," *Harvard Business Review,* April 2016, https://hbr.org/2016/03/winning-back-lost-customers; Tom Duncan, *Principles of Advertising + IMC*, 2nd Edition (New York: McGraw-Hill/Irwin, 2005); Mert Tokman, Lenita Davis, and Katherine N. Lemon, "The WOW factor: Creating value through win-back offers to reacquire lost customers," *Journal of Retailing* 83 (2007): 47–64, doi:10.1016/j.jretai.2006.10.005.

34. Reuters, "Sprint hangs up on high-maintenance customers," FoxNews.com, July 9, 2007, www.foxnews.com/story/2007/07/09/sprint-hangs-up-on-high-maintenance-customers/; "Why firing your worst customers isn't such a great idea," *Knowledge @Wharton*, December 12, 2007, http://knowledge.wharton.upenn.edu/article.cfm?articleid=1870.

1. John A. Pearce, II, "The company mission as a strategic tool," *Sloan Management Review* 23 (1982), p. 15.

3. Alan Walks, "Mapping the urban debtscape: The geography of household debt in Canadian cities," *Urban Geography 34* (2013), 153–187, doi:10.1080/02723638.2013.778647; Amy Cameron, "The Debt Bomb: 'Tis the season to use plastic -- but watch out: Canadians are already borrowing way too much," *Maclean's*, December 10, 2001; Milica Milosavljevic, Christof Koch, and Antonio Rangel, "Consumers can make Decisions in as Little as a Third of a

Second," *Judgment and Decision Making 6* (2011), 520–530; Stephanie Ben-Ishai and Saul Schwartz, "Credit Counselling in Canada: An Empirical Examination," *Canadian Journal of Law and Society 29* (2014), 1–20.

1. Gregory H. Watson, "Design and execution of a collaborative business strategy," *Journal for Quality and Participation* 28 (2005), pp. 4–9; M. Campbell, "Customers of the future," *Canadian Banker 103*(3) (1996, May-June), 15+; and H. Schachter, "Course 101: managing debt," *Canadian Banker 104*(2) (1997, March-April), 23+.

2. Roger A. Kerin, Vijay Mahajan, and Rajan Varadarajan, *Contemporary Perspectives on Strategic Marketing Planning* (Boston: Allyn & Bacon, 1990), chap. 1; and Orville C. Walker, Jr., Harper W. Boyd, Jr., and Jean-Claude Larreche, *Marketing Strategy* (Burr Ridge, IL: Richard D. Irwin, 1992), chaps. 1 and 2.

3. "Ben & Jerry's," Unilever website (n.d.), accessed at www.unilever.com/brands-in-action/detail/ben-and-jerrys/291995/?WT.contenttype=view%20brands.

4. The definition of *strategy* reflects thoughts appearing in Michael E. Porter, "What Is Strategy," *Harvard Business Review*, November 1, 1996: 4, 8.

5. "Why do you need a business plan?" Canada Business Network, 2014, accessed at www.canadabusiness.ca/eng/page/3426/; "Developing a marketing plan," Canada Business Network, 2014, accessed at www.canadabusiness.ca/eng/page/2690/.

6. "Certification," B Corporation, accessed at www.bcorporation.net/en-us/certification; "3 Steps to becoming certified B corp," Business Development Bank of Canada, accessed at www.bdc.ca/en/articles-tools/sustainability/environment/3-steps-to-becoming-certified-b-corp; S. Kim, M. Karlesky, C.G. Myers, T. Schiefeling, "Why Companies are becoming B Corporations," June 17, 2016, accessed at https://hbr.org/2016/06/why-companies-are-becoming-b-corporations.

8. "CMOs and CFOs Are Misaligned," *Investor's Business Daily*, June 9, 2014: A07.

11. "Accountability," MEC website, accessed at https://www.mec.ca/en/explore/accountability/; and "Things That Matter," MEC website, accessed at www.mec.ca/AST/ContentPrimary/Sustainability/AccountabilityReport.jsp.

7. Phil Arrata, "An open letter from our CEO," MEC website, May 19, 2020, www.mec.ca/en/article/an-open-letter-from-our-ceo-2; Justin Dallaire, "MEC,

Canadian Tire most reputable brands for CSR," *Strategy*, October 26, 2018, https://strategyonline.ca/2018/10/26/mec-canadian-tire-among-most-reputable-brands-for-csr/; "In it for the long run," MEC website, accessed 2020 at www.mec.ca/en/p/sustainability; "Things That Matter," MEC website, accessed 2016 at www.mec.ca/AST/ContentPrimary/Sustainability/AccountabilityReport.jsp; Alex Ballingall, "How corporate social responsibility improved these companies' bottom lines," *Maclean's*, June 14, 2012, www2.macleans.ca/2012/06/14/how-corporate-social-responsibility-improved-these-companies-bottom-lines/.

9. "Writing your business plan," Canada Business Network, 2014, accessed at www.canadabusiness.ca/eng/page/2753/#toc-_financial_forecasts_and_other_information.

10. Christine Moorman, "From Marketing Spend to Marketing Accountability," *Marketing News* 48 (2014): 24–25; www.ama.org/publications/MarketingNews/Pages/from-marketing-spend-marketing-accountability.aspx.

11. "Budgeting and forecasting," Canada Business Network, 2014, accessed at www.canadabusiness.ca/eng/page/2642/.

12. Tilley Endurables website, accessed at www.tilley.com/home.asp.

13. George Stalk, Phillip Evans, and Lawrence E. Shulman, "Competing on Capabilities. The New Rules of Corporate Strategy," *Harvard Business Review*, March–April 1992: 57–69.

14. Tilley Endurables website, accessed at www.tilley.com/home.asp.

16. Adapted from "The Experience Curve Reviewed, IV. The Growth Share Matrix of the Product Portfolio" (Boston: The Boston Consulting Group, 1973).

17. Kerin, Mahajan, and Vardarajan, *Contemporary Perspectives*, p. 52.

1. Personal interview with Glenn Cressman, Share of Marketing, April 2017.

3 Bourgi, S. (2012, December 13). Shedding new light on Canada's growth potential. Information and Communications Technology Council. Retrieved from http://www.ictc-ctic.ca/shedding-new-light-on-canadas-growth-potential-series-on-emerging-sectors/

4 Halton Region. (n.d.). Information and communications technology sector thrives in Halton Region. Retrieved from http://www.halton.ca/cms/One.aspx?portalId=8310&pageId=130420

5 BetaKit. (2014, April 22). Check out Branham Group's top 25 Canadian up-and-coming ICT startups. Retrieved from http://betakit.com/check-out-branham-groups-top-25-canadian-up-and-coming-ict-startups/

5. Patricia F. Phalen, Richard V. Ducey, "Audience Behavior in the Multi-Screen 'Video-Verse'," *International Journal on Media Management 14* (2012), pp. 141–156; Ginny Marvin, "Microsoft Study: Multi-Screen Behaviour and What It Means for Marketers," *Marketing Land*, March 18, 2013; and Philip Webb, "The New Multi-Screen World: Understanding Consumer Behaviour," *Mobify*, September 17, 2012.

13. M. Leighton and J. Saguin, "19 B Corps that make products we love while using their profits for good," *Insider*, June 1, 2022, accessed at www.insider.com/guides/style/b-corp-retail-companies#toms-2; "What's behind the B?" B Lab, accessed at https://usca.bcorporation.net/about-b-corps/; "3 steps to becoming a certified B Corp," *bdc*, accessed at www.bdc.ca/en/articles-tools/sustainability/environment/3-steps-to-becoming-certified-b-corp#:~:text=This%20movement%20of%20people%20using,in%20more%20than%2050%20countries.

1. Written input and interview with Richard Bartrem, vice president, marketing of WestJet Airlines, December 2019.

13. Joe Morsello, "Google: Online Consumer Touchpoints Range Between 20 – 500 Depending on Purchase," *LSA Insider*, February 5, 2019, www.lsainsider.com/google-online-consumer-touchpoints-range-between-20-500-depending-on-purchase/archives.

14. National Retail Foundation, "Top 100 Retailers 2022 List," https://nrf.com/resources/top-retailers/top-100-retailers/top-100-retailers-2022-list (accessed September 8, 2022).

5. "2017 Annual Report," Amazon, http://www.annualreports.com/Company/amazoncom-inc.

16. "Amazon Prime," Amazon.ca, www.amazon.ca/amazonprime (accessed September 8, 2022).

7. Paloma Aleman, "The Axe Effect," Media Literacy Project, 2013, https://medialiteracyproject.org/deconstructions/axe-effect/.

9. Tim Nudd, "Ad of the Day: Axe Gets Inclusive in a Remarkable Ad That's Really Pretty Magical," *Adweek*, January 14, 2016, http://www.adweek.com/news/advertising-branding/ad-day-axe-gets-inclusive-remarkable-ad-thats-really-pretty-magical-168996.

10. Karen Mazurkewich, "Dove Story," *Strategy*, January 1, 2007, http://strategyonline.ca/2007/01/01/dove-20070101/.

11. "The Dove Campaign for Real Beauty," Unilever, accessed May 2016 at http://www.dove.us/Social-Mission/campaign-for-real-beauty.aspx.

Ray Lunka. Retail Data: 100 Stats About Retail, eCommerce & Digital Marketing. September 2015 Retreived from: https://www.nchannel.com/blog/retail-data-ecommerce-statistics/

22. Jimmy Duvall, "Shipping Is Critical To Keeping Online Shoppers Happy," www.forbes.com/sites/forbestechcouncil/2019/08/27/shipping-is-critical-to-keeping-online-shoppers-happy/?sh=22074256178c (accessed September 8, 2022).

25. Adapted from "Marketing," *Business Dictionary,* www.businessdictionary.com/definition/marketing.html (accessed September 2019).

26. "Join," SCENE.ca, www.scene.ca/en-ca/enrollment (accessed September 2019).

27. "History and Impact," MADD Canada, http://madd.ca/pages/about-us/what-we-do/history-and-impact/ (accessed September 2019); and "Information for Parents," MADD Canada, http://madd.ca/pages/programs/youth-services/information-for-parents/ (accessed September 2019).

28. Blair Sanderson, "Movember Canada trying to move beyond the moustache," *CBC News*, November 5, 2017, www.cbc.ca/news/canada/nova-scotia/movember-canada-fundraising-men-s-health-1.4387768; Matt Campbell, "Movember - Whatever you grow, will save a bro," *CampaignLive*, October 2, 2019, www.campaignlive.co.uk/article/movember-whatever-grow-will-save-bro-matta/1661259.

30. Nicole Cruz, "Nintendo Switch Target Audience," https://medium.com/@nickyycruz/nintendo-switch-target-audience-f55ae518e352#:~:text=The%20console%20itself%20is%20a,who%20enjoy%20playing%20video%20games (accessed September 9, 2022).

31. Frederick Crane, Roger Kerin, Steven Hartley, and William Rudelius, *Marketing*, Ninth Canadian Edition (Toronto: McGraw-Hill, 2014).

37. TELUS, "20 Years of Giving Adds Up," n.d, www.telus.com/en/social-impact/giving-back/team-member-giving (accessed September 9, 2022).

25. Julie Smyth, "Canada's top 50 socially responsible corporations: 2015," *Maclean's*, June 8, 2015, www.macleans.ca/economy/business/canadas-top-50-most-socially-responsible-companies/.

23.*Our Purpose: Live Life Well: 2018 Corporate Social Responsibility Report*, Loblaw Companies Limited, accessed September 2019 at http://www.loblaw.ca/en/responsibility/reports.html; "Our CSR Pillars [Infographic]," Loblaw Companies Limited, accessed June 2020 at https://www.loblaw.ca/content/dam/lclcorp/pdfs/Responsibility/Reports/CSR_digital_English.pdf .

27. "10 worst household products for greenwashing," CBC News, September 14, 2012, http://www.cbc.ca/news/canada/10-worst-household-products-for-greenwashing-1.1200620.

43. S.O'Dea, "Number of mobile subscribers in Canada from 2010 to 2021," July 27, 2022, www.statista.com/statistics/460060/total-number-of-mobile-subscribers-canada/#:~:text=Worldwide%2C%20the%20number%20of%20unique,million%20are%20located%20in%20Canada (accessed September 9, 2022).

30. Bryan Segal, "Global Digital Future in Focus 2018 Canada Edition," comScore, June 26, 2018, accessed September 2019 at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2018/Global-Digital-Future-in-Focus-2018-Canada-Edition; "Daily time spent using the internet in Canada from 2010 to 2018 (in minutes)," Statista, accessed June 2020 at https://www.statista.com/statistics/237502/daily-time-spent-using-the-internet-among-adults-in-canada/.

comScore, "2015 Canada Digital Future in Focus," May 2016, accessed at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus

34. "What Is Content Marketing?" Content Marketing Institute, accessed June 2016 at http://contentmarketinginstitute.com/what-is-content-marketing.

Government of Canada. Healthy Canadians Website. http://healthycanadians.gc.ca/recall-alert-rappel-avis/index-eng.php

1. Canada Post, *2018 Annual Report*, accessed July 2020 at https://www.canadapost.ca/cpc/en/our-company/about-us/financial-reports/2018-annual-report/story-of-2018.page; personal interview with Jon Hamilton, general manager, communications strategy, Canada Post, May 2016; personal communication with Rob Linke, director, writing services, Canada Post, June 2016; Ian Lee, "Is the Cheque Still in the Mail?" Macdonald-Laurier Institute, July 2015, www.macdonaldlaurier.ca/files/pdf/MLI_PostOffice_F_web.pdf; Canada Post, *What's in the Truck? 2015 Annual Report*," accessed at https://www.canadapost.ca/web/en/pages/aboutus/details.page?article=annual_report; "Housing starts by province," Statistics Canada, CANSIM, table 027-0008, April 22, 2016, http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/manuf05-eng.htm; "Homeownership and Shelter Costs in Canada: National Household Survey, 2011," Statistics Canada, Catalogue no. 99-014-X2011002 (Ottawa: Minister of Industry, 2013), http://www12.statcan.gc.ca/nhs-enm/2011/as-sa/99-014-x/99-014-x2011002-eng.pdf; "Retail sales, by industry," Statistics Canada, CANSIM, table 080-0020, March 2016, http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/trad42a-eng.htm; Murad Hemmadi, "Why Canada has a serious e-commerce problem, in one infographic," *Canadian Business*, November 27, 2014, http://www.canadianbusiness.com/innovation/canada-serious-e-commerce-problem-infographic/; Accenture Consulting, "Accenture Technology Vision for Postal Organizations: Five trends shaping the future" (Toronto: Author, 2015), https://www.accenture.com/us-en/insight-five-trends-shaping-future; David James Friend, "76% of Canadians shopped online last year, Canada Post says," Canadian Press, May 12, 2015, http://www.cbc.ca/news/business/76-of-canadians-shopped-online-last-year-canada-post-says-1.3070651; Canadian Internet Registration Authority (CIRA), "The State of e-Commerce in Canada: CIRA Internet Factbook," March 2016, https://cira.ca/sites/default/files/public/ecommerce-factbook-march-2016_0.pdf; Statistics Canada, "Digital technology and Internet use, 2013," *The Daily*, June 11, 2014, http://www.statcan.gc.ca/daily-quotidien/140611/dq140611a-eng.htm; Qasim Mohammad, "After years in the slow lane, Canada's e-commerce ecosystem is booming," *Canadian Business*, February 22, 2016, http://www.canadianbusiness.com/innovation/canada-ecommerce-innovators/; "Digital Canada 150 2.0," Industry Canada, December 2015, http://www.ic.gc.ca/eic/site/028.nsf/eng/home.

23. Ellen Samek, "Move over, millennials - baby boomers are the ultimate untapped market," April 2, 2019, *Financial Post*, https://business.financialpost.com/news/retail-marketing/move-over-millennials-baby-boomers-re-the-ultimate-untapped-market; Doug Norris, "Don't call us seniors: The Baby Boomers at 65 [Blog post]," Environics Analytics, July 23, 2014, accessed July 2020 at https://environicsanalytics.com/resources/blogs/ea-blog/2014/07/23/dont-call-us-seniors-the-baby-boomers-at-65.

24. Sonya Fatah, "How boomers are consuming media," *Strategy*, January 25, 2016, http://strategyonline.ca/2016/01/25/diving-deep-into-boomers-media-consumption-habits/; Catherine Phillips, "Are brands missing opportunities with the 50+ cohort?" [Blog post], *Media in Canada*, August 22, 2019, http://mediaincanada.com/2019/08/22/are-brands-missing-opportunities-with-the-50-cohort/# (accessed July 2020).

25. Doug Norris, "Millennials."

26. Bree Rody, "Gen X : Affluent, Connected and Traditional" [Blog post], *Media in Canada*, February 13, 2019, https://mediaincanada.com/2019/02/13/gen-x-affluent-connected-and-traditional/ (accessed July 2020); Ellie Williams, "Generation X Consumer Behavior," *AZCentral*, Business and Entrepreneurship, http://yourbusiness.azcentral.com/generation-x-consumer-behavior-9585.html (accessed May 2016).

15. Doug Norris, "Millennials"; Statistics Canada, "Population by sex and age group."

21. Susan Krashinsky, "More Companies taking multicultural marketing to mainstream levels," *Globe and Mail*, October 8, 2015, http://www.theglobeandmail.com/report-on-business/industry-news/marketing/more-companies-taking-multicultural-marketing-to-mainstream-levels/article26727716/.

22. Mario Toneguzzi, "Chinese Consumers Drive Luxury Retail Growth in Canada: Study," *Retail Insider*, December 6, 2019, https://www.retail-insider.com/retail-insider/2019/12/chinese-consumers-drive-luxury-retail-growth-in-canada-study.

23. World Population Review, "Country Population 2020" and "Continent Population 2020," accessed January 2020 at http://worldpopulationreview.com/.

25. "Reflecting Canadian values," Canadian Index of Wellbeing, accessed May 2016 at https://uwaterloo.ca/canadian-index-wellbeing/about-canadian-index-wellbeing/reflecting-canadian-values.

36. Ellen Chang, "Showrooming Remains Unpopular With the Majority of Customers," *TheStreet*, May 26, 2016, www.thestreet.com/story/13587093/1/showrooming-remains-unpopular-with-the-majority-of-customers.html.

27. Rob Young, "Canada's Media Landscape," PHD Canada (prepared for Interactive Advertising Bureau), December 2015, https://iabcanada.com/content/uploads/2017/02/1.-CMUST-2015-V3-Total-Canada-Exec-Summary-Dec-2-2015.pdf.

26. Sarah Radwanic, "An Average Monday in the UK: PCs for Lunch, Tablets for Dinner," comScore, February 17, 2013, http://www.comscore.com/Insights/Data-Mine/An-Average-Monday-in-the-UK-PCs-for-Lunch-Tablets-for-Dinner.

30. Insights West, "2019 Canadian Social Media Insights," June 2019, accessed January 2020 at https://www.insightswest.com/wp-content/uploads/2019/06/Rep_IW_CDNSocialMediaInsights_June2019.pdf, p. 9.

31. Canadian Radio-television and Telecommunications Commission (CRTC), *Communications Monitoring Report 2016* (Ottawa: Author, 2016), http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2016/cmrs.htm#exii.

32. Sophia Harris, "Cable cord-cutting numbers soar in Canada thanks to Netflix, high prices, says report," CBC News, April 8, 2016, http://www.cbc.ca/news/business/cable-costs-cord-cutting-canada-netflix-1.3525949.

41. Lu Ann Williams, "The 2015 Trends Impacting the Food Industry," *Canadian Food Business*, December 17, 2014, http://canadianfoodinsights.com/2014/12/17/2015-trends-impacting-food-industry/.

43. Lu Ann Williams, "The 2015 Trends Impacting the Food Industry."

39. "Mapping Your Future Growth: Five Game-Changing Consumer Trends," Business Development Bank of Canada, October 2013, https://www.bdc.ca/consumertrend.

40. "Food Intolerance in Canada," Euromonitor International, April 2016, http://www.euromonitor.com/food-intolerance-in-canada/report.

47. Statistics Canada, *Population Projections for Canada, Provinces and Territories, 2009 to 2036*, Catalogue no. 91-520-X (Ottawa: Minister of Industy, 2010), www.statcan.gc.ca/pub/91-520-x/2010001/aftertoc-aprestdm1-eng.htm.

48. Jonah Comstock, " IMS: Half of Android health apps have fewer than 500 downloads," *MobiHealthNews*, October 30, 2013, http://mobihealthnews.com/26836/ims-half-of-android-health-apps-have-fewer-than-500-downloads.

45. "Mapping Your Future Growth: Five Game-Changing Consumer Trends," Business Development Bank of Canada.

46. "More than 52,000 Canadians travelled abroad for medical care in 2014: study," CTV News, March 17, 2015, http://www.ctvnews.ca/health/more-than-52-000-canadians-travelled-abroad-for-medical-care-in-2014-study-1.2283121.

47. Advertising Standards Canada, *The Canadian Children's Food and Beverage Advertising Initiative: 2014 Compliance Report*, (Toronto: Author, 2015, http://www.adstandards.com/en/childrensinitiative/2014ComplianceReport.pdf; "Canadian Families Making Healthier Choices," H & K Perspectives, July 2014, http://www.adstandards.com/en/childrensinitiative/consumerResearch.html.

48. "Greendex 2014: Consumer Choice and the Environment," National Geographic, accessed May 2016, http://images.nationalgeographic.com/wpf/media-live/file/Greendex-Canadians_FINAL-cb1409255133.pdf.

49. "Mapping Your Future Growth: Five Game-Changing Consumer Trends," Business Development Bank of Canada; Cision, "35% of Canadians say they generally ignore/tune out sustainability messaging," www.newswire.ca/news-releases/35-of-canadians-say-they-generally-ignore-tune-out-sustainability-messaging-852529585.html (accessed November 11, 2022).

50. "Understanding Green Claims," Industry Canada, Office of Consumer Affairs, accessed May 2016 at https://www.ic.gc.ca/eic/site/oca-bc.nsf/eng/ca02523.html.

51. "Mapping Your Future Growth: Five Game-Changing Consumer Trends," Business Development Bank of Canada.

52. "Corporate Citizenship: Environmental Sustainability," Canadian Tire, accessed May 2016 at http://corp.canadiantire.ca/EN/CorporateCitizenship/EnvironmentalSustainability/Pages/default.aspx.

53. "Canadian Lifestyles 2017: Pride and Purse Strings," Mintel, accessed July 2017 at http://store.mintel.com/canadian-lifestyles-pride-and-purse-strings-canada-april-2017.

50. Rick Newman, "10 Products That Boomed During the Recession, *U.S. News & World Report*, October 20, 2009, http://money.usnews.com/money/blogs/flowchart/2009/10/20/10-products-that-boomed-during-the-recession.

51. Mark Koba, "Gross Domestic Product: CNBC Explains," CNBC, November 3, 2011, www.cnbc.com/id/44505017.

59. Sarah Radwanic, "An Average Monday in the UK."

61. Karen J. Bannan, "Cross-Device Advertising: How to Navigate Mobile Marketing's Next Big Thing," Criteo, presented by Ad Age Content Strategy Studio, September 2014, http://www.criteo.com/resources/cross-device-advertising-how-to-navigate-the-next-big-opportunity-in-mobile-marketing/.

CIGI-Ipsos Global Survey on Internet Security and Trust. 2014. Accessed from https://www.cigionline.org/internet-survey

Nick Patch. How much will Canadians pay to stream music? June 8, 2015. Accessed at https://www.thestar.com/business/tech_news/2015/06/08/how-much-will-canadians-pay-to-stream-music.html

Sophia Harris, CBC News. Cable cord-cutting numbers soar in Canada thanks to Netflix, high prices, says report. April 8, 2016. Access from http://www.cbc.ca/news/business/cable-costs-cord-cutting-canada-netflix-1.3525949

68. "Why Use Short Codes," CWTA, accessed May 2016 at www.txt.ca/why-use-short-codes/.

66. "CMA Guides and Mini-Guides," Canadian Marketing Association, www.the-cma.org/regulatory/code-and-guidelines (accessed May 2016).

63. Competition Bureau Canada website, accessed February 2017, www.canada.ca/en/competition-bureau.html; Amy Judd, "Top 10 scams of 2016 reveal Canadians lost more than $90M last year," *Global News*, March 1, 2017, http://globalnews.ca/news/3280609/top-10-scams-of-2016-reveal-canadians-lost-more-than-90m-last-year/; Mike Laanela, "Canada's top 10 scams earned crooks $1.2B last year, says BBB," *CBC News*, March 1, 2016, www.cbc.ca/news/canada/british-columbia/canada-s-top-10-scams-earned-crooks-1-2b-last-year-says-bbb-1.3471279; Canadian Competition Bureau, *The Little Black Book of Scams* (Ottawa: Author, 2012), www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/vwapj/Little-Black-Book-Scams-e.pdf/$file/Little-Black-Book-Scams-e.pdf.

74. "Online Behavioural Advertising," Office of the Privacy Commissioner of Canada, accessed May 2016 at https://www.priv.gc.ca/resource/topic-sujet/oba-pcl/index_e.asp.

75. "Understanding Online Advertising," Digital Advertising Alliance of Canada, accessed May 2016 at http://youradchoices.ca/understanding-online-advertising/.

32. "Population by year, by province and territory, 2015," Statistics Canada, CANSIM, table 051-0001, www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/demo02a-eng.htm (accessed June 2016).

4. Lisa Arthur, "What is Big Data?" *Forbes*, August, 15, 2013, http://www.forbes.com/sites/lisaarthur/2013/08/15/what-is-big-data/#5329d8783487.

5. "Extracting business value from the 4 Vs of big data," IBM, accessed June 2016 at http://www.ibmbigdatahub.com/sites/default/files/infographic_file/4Vs_Infographic_final.pdf.

6. "The Zettabyte Era: Trends and Analysis," Cisco [white paper], June 2, 2016, http://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/vni-hyperconnectivity-wp.pdf.

7. Kit Smith, "Marketing: 96 Amazing Social Media Statistics and Facts," *Brandwatch*, March 7, 2016, https://www.brandwatch.com/2016/03/96-amazing-social-media-statistics-and-facts-for-2016/.

30. Bala Deshpande, "How to use RFM analysis for customer segmentation and classification," *Simafore*, December 3, 2013,

www.simafore.com/blog/bid/159575/How-to-use-RFM-analysis-for-customer-segmentation-and-classification.

31. "RFM Analysis," IBM Knowledge Center, November 30, 2015, www.ibm.com/support/knowledgecenter/SSLVMB_20.0.0/com.ibm.spss.statistics.help/rfm_intro.xml.htm.

3. "Loyalty and Behaviour Among Younger Fans [Case study]," Insightrix, accessed August 2020 at https://insightrix.com/saskatchewan-roughriders-case-study/; Insightrix, https://insightrix.com/; "CRM Programmer Analyst [Job order detail]," SaskJobs.ca, accessed August 2020 at https://www.saskjobs.ca/jsp/joborder/detail.jsp?job_order_id=902363; SaskWatch, www.saskwatch.ca.

23. Matthew Klein, "Selling Pies, Driving ROI: Pizza Hut's Solid Social Listening Strategy," Falcon.IO, January 27, 2016, www.falcon.io/insights-hub/case-stories/cs-social-media-roi/pizza-hut-social-listening-case-study/.

6. Anand Rao, "Social listening: How market sensing trumps market research," PwC, June 13, 2016, www.pwc.com/gx/en/governance-risk-compliance-consulting-services/resilience/publications/pdfs/social-listening.pdf (accessed August 2020).

9. "Homescan," Nielsen Canada, www.homescan.ca/panel/CA/EN/Login.htm (accessed June 2016).

26. Kira Vermond, "Why London, Ontario is the perfect test market," *Globe and Mail*, October 19, 2015, www.theglobeandmail.com/report-on-business/small-business/sb-managing/london-test-market/article26846284/.

8. Sonya Fatah, "How boomers are consuming media," January 25, 2016, http://strategyonline.ca/2016/01/25/diving-deep-into-boomers-media-consumption-habits/; Courtney Rubin, "What Do Customers Want? Look at Their Selfies," *New York Times*, May 7, 2016, http://www.nytimes.com/2016/05/08/business/media/what-do-consumers-want-look-at-their-selfies.html?_r=0; Ira Kalb, "Selfies and Smartphone Video Are Changing Marketing," *Business Insider*, August 18, 2014, http://www.businessinsider.com/how-selfies-are-changing-marketing-2014-8; Douglas MacMillan and Elizabeth Dwoskin, "Smile! Marketing Firms Are Mining Your Selfies," *Wall Street Journal*, October 9, 2014, http://www.wsj.com/articles/smile-marketing-firms-are-mining-your-selfies-1412882222; Tom Sommers, "Selfies Disrupt Market-Research Industry," May 12,

2016, https://www.linkedin.com/pulse/selfies-disrupt-market-research-industry-tom-sommers; Clayton M. Christensen and Bob Moesta, "Know the Job Your Product was Hired for (with Help from Customer Selfies)," *Harvard Business Review*, June 6, 2016, https://hbr.org/2016/06/know-the-job-your-product-is-doing-with-help-from-customer-selfies.

3. "Lowest Price Guarantee," Best Buy Canada, accessed June 2016 at http://www.bestbuy.ca/en-CA/help/lowest-price-guarantee/hc1001.aspx.

8. "Our Brands – Axe," Unilever Canada, accessed May 2016 at https://www.unilever.ca/brands/our-brands/axe.html.

21. Statista, "Total e-commerce and store-based chain retail sales in Canada from 2017 to 2027," www-statista-com.dproxy.library.dc-uoit.ca/statistics/1315933/e-commerce-store-based-chain-retail-sales-canada/ (accessed September 8, 2022).

11. "Amazon Prime," Amazon.ca, accessed September 2019 at www.amazon.ca/gp/prime.

23. "Amazon Prime," Amazon.ca, www.amazon.ca/gp/prime (accessed September 2019).

24. Amazon, "2021 Letter to Shareholders," www.aboutamazon.com/news/company-news/2021-letter-to-shareholders (accessed September 8, 2022).

42. "Our Commitments," The Body Shop, www.thebodyshop.ca/enrich-not-exploit/ (accessed May 2016).

32. Benevity.com, www.benevity.com/why-benevity (accessed August 2020); Benevity, "Benevity Expands Market-Leading CSR Platform to Mobile, Enabling More Inclusive, In-the-Moment Giving" [News release], December 5, 2019, www.globenewswire.com/news-release/2019/12/05/1956735/0/en/Benevity-Expands-Market-Leading-CSR-Platform-to-Mobile-Enabling-More-Inclusive-In-the-Moment-Giving.html (accessed August 2020); Certified B Corporation, "About B Corps," https://bcorporation.net/about-b-corps (accessed August 2020).

45. "My Starbucks Idea," Starbucks, http://mystarbucksidea.force.com/ (accessed March 2020).

32. Roberto Torres, "Starbucks' digital strategy is working. Now it wants to dive deeper," *CIO Dive*, July 26, 2019, https://www.ciodive.com/news/starbucks-digital-

strategy-is-working-now-it-wants-to-dive-deeper/559602/.

47. "8 Content Marketing Examples That Turn Heads and Spark Engagement" [Blog post], *Lyfe Marketing*, October 2, 2019, www.lyfemarketing.com/blog/content-marketing-examples/ (accessed June 2020).

50. "2019 Canadian Social Media Insights," *Insights West*, June 2019, https://insightswest.com/wp-content/uploads/2019/06/Rep_IW_CDNSocialMediaInsights_June2019.pdf.\ (accessed March 2020).

Statista. (2016) Most popular Facebook fan pages as of April 2016, based on number of fans (in millions). Available at http://www.statista.com/statistics/269304/international-brands-on-facebook-by-number-of-fans/ (accessed May 2016)
How Coca-Cola uses Facebook, Twitter, Pinterest and Google+. David Moth Retrieved from https://econsultancy.com/blog/62548-how-coca-cola-uses-facebook-twitter-pinterest-and-google/

38. "Most popular Facebook fan pages as of April 2016, based on number of fans (in millions)," Statista, accessed May 2016 at http://www.statista.com/statistics/269304/international-brands-on-facebook-by-number-of-fans/; David Moth, "How Coca-Cola uses Facebook, Twitter, Pinterest and Google+," *Econsultancy*, April 17, 2013, https://econsultancy.com/blog/62548-how-coca-cola-uses-facebook-twitter-pinterest-and-google/.

52. David Moth, "How Nike uses Facebook, Twitter, Pinterest and Google+," *Econsultancy*, March 27, 2013, https://econsultancy.com/blog/62412-how-nike-uses-facebook-twitter-pinterest-and-google; Nike Football Facebook page, www.facebook.com/nikefootball/ (accessed May 2016).

40. Lianna Turchin, "Wait – What IS Real-Time Marketing?" Online Marketing Institute, November 9, 2015, https://www.onlinemarketinginstitute.org/blog/2015/11/wait-what-is-real-time-marketing/.

41. Richard O'flynn, "The Way The Social Cookie Crumbles: The Genius of Oreo's Social Media Marketing," *201:digita*l, April 23, 2015, http://www.201digital.co.uk/way-social-cookie-crumbles-genius-oreos-social-media-marketing-can-learn/; Oreo Facebook page, accessed May 2016,

https://www.facebook.com/oreo/; Oreo Twitter account, accessed May 2016, https://twitter.com/oreo; Oreo Instagram Account, accessed May 2016, https://www.instagram.com/oreo/?hl=en.

54. Christopher Ratcliff, "Six inspiring new examples of experiential marketing," *Econsultancy*, May 13, 2015, https://econsultancy.com/blog/66431-six-inspiring-new-examples-of-experiential-marketing/.

55. Val Maloney, "Spotted! Nike's baller weekend," *Media in Canada*, February 16, 2016, http://mediaincanada.com/2016/02/16/spotted-nikes-baller-weekend/.

Davidge J. (2015) The force is strong with Lego's brand experience. November 25, 2015. Available at https://www.becausexm.com/blog/the-force-is-strong-with-legos-brand-experience (accessed May 2016)

56. Joss Davidge, "The force is strong with Lego's brand experience," *BEcause Experiential Marketing*, November 25, 2015, www.becausexm.com/blog/the-force-is-strong-with-legos-brand-experience.

57. Lauren Johnson, "Nestlé Will Be the First Brand to Run a Sponsored Periscope Stream," *Adweek*, June 19, 2015, www.adweek.com/news/technology/nestl-will-be-first-brand-run-sponsored-periscope-stream-165443; "Periscope case study: Nestle turns camera on customers to generate social buzz," Digital Training Academy, accessed May 2016 at www.digitaltrainingacademy.com/casestudies/2016/04/periscope_case_study_nestle_turns_camera_on_customers_to_generate_social_buzz.php.

Coughlin J. (2016) Creating the perfect blend in partnership marketing April 29 2016. Available at http://www.thedrum.com/opinion/2016/04/29/creating-perfect-blend-partnership-marketing (accessed June 2016)

61. Jo Coughlin, "Creating the perfect blend in partnership marketing," *The Drum*, April 29, 2016, www.thedrum.com/opinion/2016/04/29/creating-perfect-blend-partnership-marketing.

60. Harmeet Singh, "Brand Partner of the Year: Nutella's pairings," *Strategy*, October 16, 2015, http://strategyonline.ca/2015/10/16/brand-partner-of-the-year-nutellas-pairings/.

61. "Benefits of the Program," SCENE.ca, accessed June 2016 at www.scene.ca/programbenefits.aspx; Matt Semansky, "Scotiabank Takes Scene-ic

Route to Youth," *Marketing*, July 27, 2008, www.marketingmag.ca/brands/scotiabank-takes-scene-ic-route-to-youth-16881.

Government of Canada. Healthy Canadians Website. Available at http://healthycanadians.gc.ca/recall-alert-rappel-avis/index-eng.php (accessed May 2016)

Canadian Marketing Association. Available at www.the-cma.org (accessed May 2016)

62. Samuel Wich, "Is 2020 the Year of Sustainable Business in Hospitality?", *HospitalityNet*, February 24, 2020, www.hospitalitynet.org/opinion/4097111.html; Siobhan O'Neill, "Amazing Hotels – Canadian sustainability at Fogo Island," *Green Hotelier*, April 24, 2017, www.greenhotelier.org/destinations/americas/amazing-hotels-canadian-sustainability-at-fogo-island/; "Entrepreneur Zita Cobb's social conscience lands her in the Business Hall of Fame," *CBC News*, January 5, 2020, www.cbc.ca/news/canada/newfoundland-labrador/zita-cobb-business-hall-of-fame-1.5414055.

63. Lisa Quast, "Personal Branding 101," *Forbes*, April 22, 2013, www.forbes.com/sites/lisaquast/2013/04/22/personal-branding-101/#158f0cd615fa.

Ernst and Young. Rise of Gen Z, a new challenge for retailers. 2015. Accessed from www.ey.com/Publication/...gen.../EY-rise-of-gen-znew-challenge-for-retailers.pdf

28. Arti Patel, "Generation Z: Make room for Canada's connected, open and optimistic generation," *Global News*, June 18, 2018, https://globalnews.ca/news/4211788/generation-z/; Ernst and Young, *Rise of Gen Z, a new challenge for retailers* (London: Author, 2015), accessed at www.ey.com/Publication/vwLUAssets/EY-rise-of-gen-znew-challenge-for-retailers/$FILE/EY-rise-of-gen-znew-challenge-for-retailers.pdf; Statistics Canada, "A generational portrait of Canada's aging population from the 2021 Census," www12.statcan.gc.ca/census-recensement/2021/as-sa/98-200-X/2021003/98-200-X2021003-eng.cfm (accessed November 8, 2022).

39. Paul Rich, Ben Martin, and Leah Jenkins, "2015 Canada Digital Future in Focus," *comScore*, March 27, 2015, www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus.

42. Pete Evans, "Kraft Dinner to remove synthetic colours from macaroni and cheese," *CBC News*, April 20, 2015, www.cbc.ca/news/business/kraft-dinner-to-remove-synthetic-colours-from-macaroni-and-cheese-1.3040324.

52. J.B. Maverick, "How do changes in interest rates affect the spending habits in the economy?" *Investopedia*, July 17, 2015, http://www.investopedia.com/ask/answers/071715/how-do-changes-interest-rates-affect-spending-habits-economy.asp.

60. Paul Rich et al., "2015 Canada Digital Future in Focus."

62. "Number of internet users in Canada from 2000 to 2019," statista, accessed July 2020 at https://www.statista.com/statistics/243808/number-of-internet-users-in-canada/.

60. Allison Enright, "Canada gets serious about e-commerce," *Internet Retailer*, September 1, 2015, https://www.internetretailer.com/2015/09/01/canada-gets-serious-about-e-commerce.

63. Canada Post, "The 2020 Canadian E-commerce Report," accessed July 2020 at https://www.canadapost.ca/cpc/en/business/marketing/campaign/ecommerce-report.page?gclid=EAIaIQobChMI74nXmYjQ6AIVhqDsCh15RgbUEAAYAiAAEgLK2vD_BwE.

56. K. Neilsen, "Deciphering Cloud Services for Consumers," November 21, 2011, accessed May 2016, http://cloud-services-review.toptenreviews.com/confused-about-the-cloud-deciphering-cloud-services-for-consumers.html; Kenneth Hess, "10 Cloud-Based Services You Can't Live Without," *ServerWatch*, January 13, 2011, www.serverwatch.com/trends/article.php/3920691/10-CloudBased-Services-You-Cant-Live-Without.htm.

57. Office of the Privacy Commissioner of Canada, "The 2018-19 Survey of Canadians on Privacy," March 2019, accessed July 2020 at www.priv.gc.ca/en/opc-actions-and-decisions/research/explore-privacy-research/2019/por_2019_ca/.

67. "Music Streaming," statista, accessed July 2020 at https://www.statista.com/outlook/209/108/music-streaming/canada

65. Paul Rich et al., "2015 Canada Digital Future in Focus."

68. Paul Briggs, "Canada Digital Video 2019," *eMarketer*, September 2019, https://www.emarketer.com/content/canada-digital-video-2019.

69. "2019 Canada's Internet Factbook," Canadian Internet Registration Authority, accessed July 2020 at https://www.cira.ca/resources/corporate/factbook/canadas-internet-factbook-2019.

61. CRTC, *Communications Monitoring Report 2019*, https://crtc.gc.ca/pubs/cmr2019-en.pdf ; Paul Rich et al., "2019 Canada Digital Future in Focus."

69. CRTC, *Communications Monitoring Report 2016*.

70. Jeff Fraser, "Mobile beacons' second wave will be all about data," *Marketing*, December 8, 2015, http://www.marketingmag.ca/tech/mobile-beacons-second-wave-will-be-all-about-data-163074.

64. Advertising Standards Canada, "The Canadian Code of Advertising Standards," www.adstandards.com/en/Standards/canCodeOfAdStandards.aspx (accessed May 2016).

65. "Report on the Operation of the National Do Not Call List (DNCL) for the period April 1, 2014 to March 31, 2015," Canadian Radio-television and Telecommunications Commission (CRTC), September 30, 2015, www.crtc.gc.ca/eng/DNCL/rpt150930.htm.

72. "Canada's Anti-Spam Legislation, Fast Facts," Government of Canada, http://fightspam.gc.ca/eic/site/030.nsf/eng/h_00039.html (accessed June 2017); "Canada's Anti-Spam Law Casts a Wide Net – Requires All Organizations to Take Action," Osler, Hoskin & Harcourt LLP, January 2014, www.osler.com/osler/media/Osler/reports/privacy-data/CASL-Canada-s-Anti-Spam-Law-Casts-a-Wide-Net.pdf.

73. "CMA Guide to Canada's Anti-Spam Law (CASL)," Canadian Marketing Association, April 2015, www.the-cma.org/regulatory/code-and-guidelines/cma-guide-to-canada-anti-spam-law.

1. "Alcoholic Drinks in Canada," Euromonitor International, June 2016, accessed June 2016 at http://www.euromonitor.com/alcoholic-drinks-in-canada/report; Delvinia website, accessed June 2016 at www.delvinia.com; written input and personal communication with Susan O'Neill, director of communications, Delvinia,

May/June 2016; written input from Corby Spirit and Wine Ltd.'s director, strategic planning, insights & innovation, June 2016.

2. "Number of apps available in leading app stores as of March 2017," Statista website, accessed July 2017 at https://www.statista.com/statistics/276623/number-of-apps-available-in-leading-app-stores/; Luke Villapaz, "Apple iPhone: Six Years of a Stunningly Successful Advertising Campaign," *International Business Times*, April 10, 2013, http://www.ibtimes.com/apple-iphone-six-years-stunningly-successful-advertising-campaign-video-1414562; Mark Bergen, "A History of Apple's Product Launch Marketing," *Advertising Age*, September 8, 2014, http://adage.com/article/media/a-history-apple-s-product-launch-marketing/294843/; Lara O'Reilly, "The latest IPhone ad Is a strange spot all about onions," *Business Insider*, April 26, 2016, http://www.businessinsider.com/apple-iphone-6s-onions-ad-2016-4.

9. John Kirk, "Android's Penetration vs. Apple's Skimming Marketing Strategies," Tech.pinions, March 21, 2013, https://techpinions.com/androidss-penetration-vs-apples-skimming-marketing-strategies/15255.

4. Aaron Tilley, "Apple Watch Scored an Estimated 1 Million Pre-Orders on Launch Day," *Forbes*, April 13, 2015, http://www.forbes.com/sites/aarontilley/2015/04/13/apple-watch-scored-an-estimated-1-million-pre-orders-on-launch-day/#749be4894f77; Doug Olenick, "Why the Apple Watch Launch is One for the History Books," *Forbes*, April 24, 2015, http://www.forbes.com/sites/dougolenick/2015/04/24/apple-watch-launch-is-one-for-the-history-books/print/; Don Reisinger, "Apple Watch Is Dominating the Global Smartwatch Market," *Fortune*, September 21, 2016, http://fortune.com/2016/09/21/apple-watch-market-share/.

3. Tom Huddleston Jr, "How Instant Pot became a kitchen appliance with a cult following and a best-seller on Amazon," CNBC, November 26, 2018, https://www.cnbc.com/2018/11/26/how-instant-pot-became-a-kitchen-appliance-with-a-cult-following.html.

11. Megan Poinski, Christopher Doering, and Lillianna Byington, "6 trends to impact the food industry in 2019" [Blog post], *Food Dive*, January 7, 2019, www.fooddive.com/news/6-trends-to-impact-the-food-industry-in-2019/544677/.

12. "P&G Everyday: Tide," P&G website, accessed April 2020 at www.pgeveryday.ca/tag/tide.

6. "Canadian Brand Top 40 Ranking," *Canadian Business*, n.d., accessed April 2020 at https://www.canadianbusiness.com/canadian-brand-top-40-ranking/; Joe Castaldo, "McCain Foods: An old favourite freshens up," *Canadian Business*, April 28, 2013, https://www.canadianbusiness.com/lists-and-rankings/mccain-foods-an-old-favourite-freshens-up/.

14. Courtney Greenberg, "Knixwear's teen line aims to make girls the bosses of their periods," *Toronto Star*, May 26, 2017, www.thestar.com/life/2017/05/26/knixwears-teen-line-aims-to-make-girls-the-bosses-of-their-periods.html; Elizabeth Segran, "Can Knix win the 12 billion underwear wars?" *Fast Company*, October 15, 2018, www.fastcompany.com/90249128/can-knix-win-the-12-billion-underwear-wars; Sarah Kelsey, "How Joanna Griffiths took Knixwear from an idea to a million dollar company in just five years," *Women of Influence*, February 25, 2019, www.womenofinfluence.ca/2019/02/25/how-joanna-griffiths-took-knixwear-from-an-idea-to-a-million-dollar-company-in-just-five-years/; "Top 5 Highest Grossing Businesses on *Dragons' Den*," CBC, March 6, 2019, accessed April 2020 at www.cbc.ca/dragonsden/m_blog/top-successful-businesses; Tom Lorenzo, "Support the Front Line: Front-line Workers Get 30% Off At SAXX Underwear," *Men's Journal*, n.d., accessed April 2020 at www.mensjournal.com/style/support-the-front-line-front-line-workers-get-30-off-at-saxx-underwear/; McCann Worldgroup, "Premium Underwear Brand SAXX Partners with McCann to Push Into US Market" [Press release], *Cision*, July 26, 2019, accessed April 2020 at www.newswire.ca/news-releases/premium-underwear-brand-saxx-partners-with-mccann-to-push-into-us-market-894543022.html; "8-in-1 Evolution Bra: The World's Most Advanced Bra," Kickstarter website, accessed April 2020 at www.kickstarter.com/projects/evolutionbra/8-in-1-evolution-bra-the-worlds-most-advanced-bra; Hallie Cotnam, "Ottawa lab thinking outside the boxers to build better briefs," *CBC News*, January 14, 2020, www.cbc.ca/news/canada/ottawa/design-lab-hackathon-underwear-design-invent-makerspace-1.5420843.

8. Chaim Gartenberg, "Mobile Motorola Resurrects the Razr as a Foldable Android Smartphone," *The Verge*, November 13, 2019, https://www.theverge.com/2019/11/13/20963294/motorola-razr-new-foldable-smartphone-android-hands-on-flip-phone-photos-video.

9. Josh Kolm, "What drives Canadian purchase behaviour?" *Strategy*, August 24, 2016, http://strategyonline.ca/2016/08/24/what-drives-canadian-purchase-behaviour/?utm_source=rss&utm_medium=rss&utm_campaign=what-drives-canadian-purchase-behaviour.

10. "BrandSpark International's 2020 Best New Product Award Winners Announced" [News release], Cision, February 27, 2020, accessed April 2020 at https://www.newswire.ca/news-releases/brandspark-international-s-2020-best-new-product-award-winners-announced-895852042.html.

18. Leslie Hayward, "Overcoming Barriers To Electric Vehicle Adoption," *The Fuse*, May 30, 2015, http://energyfuse.org/overcoming-barriers-to-electric-vehicle-adoption/.

19. Arthur Thomas, "Drones could be the next disruptive technology," *Milwaukee Business News*, April 4, 2016, www.biztimes.com/2016/04/04/drones-could-be-the-next-disruptive-technology/; John Patrick Pullen, "This is how drones work," *Time*, April 3, 2015, http://time.com/3769831/this-is-how-drones-work/; Peter Diamandis, "The top 10 reasons drones are disruptive," *Forbes*, August 11, 2014, www.forbes.com/sites/peterdiamandis/2014/08/11/top-10-reasons-drones-are-disruptive/#7300470728bd/.

Rogers E. (2003) Diffusion of Innovations. 5th ed. New York: Free Press

21. Everett Rogers, *Diffusion of Innovations*, 5th ed. (New York: Free Press, 2003).

Jagdish N. Mitral S. Mitral B (2003). Consumer Behavior: A Managerial Perspective, 2nd ed. (Mason, OH: South-Western College Publishing

22. Jagdish Sheth and Banwari Mittal, *Consumer Behavior: A Managerial Perspective*, 2nd ed. (Mason, OH: South-Western College Publishing, 2003).

23. "Canada Electric Car Sales Face A Roadblock In 'Range Anxiety.' But What's That?" Canadian Press, June 20, 2016, accessed at www.huffingtonpost.ca/2016/06/20/canada-electric-car-sales-range-anxiety_n_10581332.html; Christina Rogers, "Demand Ebbs for Electric, Hybrid Cars," *Wall Street Journal*, September 3, 2014, www.wsj.com/articles/electric-hybrid-car-demand-stalls-1409785123;
IEA, "Electric cars fend off supply challenges to more than double global sales," www.iea.org/commentaries/electric-cars-fend-off-supply-challenges-to-more-than-double-global-sales (accessed January 25, 2023).

24. Elaine Watson, "Why do 85% of new CPG products fail within two years?" *Food Navigator USA*, July 31, 2014, www.foodnavigator-usa.com/Markets/Why-do-85-of-new-CPG-products-fail-within-two-years; Mike Collins, "Reducing the Failure Rate of New Products," *Forbes*, April 30, 2015,

www.forbes.com/sites/mikecollins/2015/04/30/reducing-the-failure-rate-of-new-products/#633f363361a4.

25. Michael E. Ross, "It seemed like a good idea at the time," *NBC News*, April 22, 2005, www.nbcnews.com/id/7209828/ns/us_news/t/it-seemed-good-idea-time/#.V8xgQ4-cHIU.

26. "Hoverboards Recalled for Fire Risk," *Wall Street Journal*, July 7, 2016, p. B3.

27. "Innovation Process," Stage-Gate website, accessed August 2016 at www.stage-gate.com/resources_stage-gate_full.php.

28. Robert Safian, "Why Apple Is The World's Most Innovative Company," *Fast Company*, February 21, 2018, www.fastcompany.com/40525409/why-apple-is-the-worlds-most-innovative-company.

24. Written communication with Sameera Banduk, marketing director, Thalmic Labs, August 2016.

Brown B, Anthony S (2011) How P&G tripled its innovation success rate. June 2011. Harvard Business Review. Available at https://hbr.org/2011/06/how-pg-tripled-its-innovation-success-rate (accessed Sept 2016); Brunsman B (2016) P&G redesigns packaging, launches new ad campaign as poison concerns mount. April 21, 2016 Cincinnati Business Courier. Available at http://www.bizjournals.com/cincinnati/news/2016/04/21/p-g-redesigns-packaging-launches-new-ad-campaign.html (accessed Aug 2016); Neff J (2011) P&G Reinvents Laundry With $150 Million Tide Pods Launch. Apr 26, 2011. Advertising Age. Available at http://adage.com/article/news/p-g-reinvents-laundry-150-million-tide-pods-launch/227208/ (accessed Sept 2016)

Brown B, Anthony S (2011) How P&G tripled its innovation success rate. June 2011. Harvard Business Review. Available at https://hbr.org/2011/06/how-pg-tripled-its-innovation-success-rate (accessed Sept 2016); Brunsman B (2016) P&G redesigns packaging, launches new ad campaign as poison concerns mount. April 21, 2016 Cincinnati Business Courier. Available at http://www.bizjournals.com/cincinnati/news/2016/04/21/p-g-redesigns-packaging-launches-new-ad-campaign.html (accessed Aug 2016); Neff J (2011) P&G Reinvents Laundry With $150 Million Tide Pods Launch. Apr 26, 2011. Advertising Age. Available at http://adage.com/article/news/p-g-reinvents-laundry-150-million-tide-pods-launch/227208/ (accessed Sept 2016)

Brown B, Anthony S (2011) How P&G tripled its innovation success rate. June 2011. Harvard Business Review. Available at https://hbr.org/2011/06/how-pg-tripled-its-innovation-success-rate (accessed Sept 2016); Brunsman B (2016) P&G redesigns packaging, launches new ad campaign as poison concerns mount. April 21, 2016 Cincinnati Business Courier. Available at http://www.bizjournals.com/cincinnati/news/2016/04/21/p-g-redesigns-packaging-launches-new-ad-campaign.html (accessed Aug 2016); Neff J (2011) P&G Reinvents Laundry With $150 Million Tide Pods Launch. Apr 26, 2011. Advertising Age. Available at http://adage.com/article/news/p-g-reinvents-laundry-150-million-tide-pods-launch/227208/ (accessed Sept 2016)

29. Jack Neff, "Tide Pods Winning $7 Billion Detergent Wars by Defining Value," *Advertising Age*, December 18, 2012; Dale Buss, "P&G Awash in Success of Tide Pods Despite Wrinkles Along the Way," *Brandchannel*, December 18, 2012; Emily Glazer, "Tide Rides Convenience Wave," *Wall Street Journal*, February 23, 2012; and Emily Glazer, "P&G to Alter Tide Pods Packaging," *Wall Street Journal*, May 26–27, 2012, p. B3.

30. Kira Vermond, "Why London, Ontario is the perfect test market," *Globe and Mail*, October 19, 2015, www.theglobeandmail.com/report-on-business/small-business/sb-managing/london-test-market/article26846284/.

8. *Trading Economics*, "Canada GDP From Services," https://tradingeconomics.com/canada/gdp-from-services#:~:text=GDP%20from%20Services%20in%20Canada%20averaged%201127940.69%20CAD%20Million%20from,Million%20in%20January%20of%201997 (accessed on January 6, 2023).

4. "Nutrition Labelling," Health Canada website, accessed July 2016 at http://www.hc-sc.gc.ca/fn-an/label-etiquet/nutrition/index-eng.php.

3. George Guidoni, "The Straw Poll," *Canadian Packaging*, February 25, 2020, https://www.canadianpackaging.com/features/the-straw-poll/.

Powell C. (2016) 6 Packaging Trends for 2016. Marketing Magazine. January 5, 2016. Available at http://www.marketingmag.ca/brands/6-packaging-trends-for-2016-164789 (accessed July 2016)
Esterle M. (2014) 'Share a Coke' credited with a pop in sales. Wall Street Journal. Sept. 25, 2014. Available at http://www.wsj.com/articles/share-a-coke-credited-with-a-pop-in-sales-1411661519 (accessed July 2016)
Lingle R. (2016) Game-changing Connected Package optimizes consumer interaction. Packaging Digest. July 11, 2016. Available at

http://www.packagingdigest.com/retail-packaging/game-changing-connected-package-optimizes-consumer-interaction1607 (accessed July 2016)
Clark N. (2016) 4 fast-moving trends in food and beverage packaging. Packaging Digest. May 24, 2016. Available at http://www.packagingdigest.com/food-packaging/4-fast-moving-trends-in-food-and-beverage-packaging-2016-05-23 (accessed July 2016)
WARC (2015) More marketers personalise packaging . Oct 7, 2015. Available at http://www.warc.com/LatestNews/News/More_marketers_personalise_packaging.news?ID=35517 (accessed July 2016)
Mintel (2016) Global Packaging Trends. Available at http://www.mintel.com/global-packaging-trends (accessed July 2016)

4. "Trends and Opportunities in the Canadian Packaging Industry" [News release], Cision PR Newswire, December 19, 2019, https://www.prnewswire.com/news-releases/trends-and-opportunities-in-the-canadian-packaging-industry-300971239.html; Tristanne Davis, "5 Sustainable Packaging Trends to Look Out for in 2020," *Packaging Digest*, February 21, 2020, https://www.packagingdigest.com/sustainable-packaging/5-sustainable-packaging-trends-to-look-out-for-in-2020-2020-02-21; "11 inspiring packaging design trends for 2020," 99 Designs, accessed September 2020 at https://99designs.ca/blog/trends/packaging-design-trends/; Brittany Giles, "17 Packaging Designs That Put Other Packages to Shame [Blog post]" TPH – The Printing House Blog, October 21, 2014, https://blog.tph.ca/2014/10/21/creative-unique-packaging-design/; Kristen Kazarian, "Latest Packaging Innovations Changing the Rules," *Packaging Strategies*, February 11, 2020, https://www.packagingstrategies.com/articles/95355-latest-packaging-innovations-changing-the-rules.

Coca-Cola Canada (2016) All Brands Canada. Available at http://www.coca-colacompany.com/brands/all (accessed July 2016)

9. The Coca-Cola Company, "Brands," www.coca-colacompany.com/brands (accessed January 10, 2023).

10. "Google Ads—Reach customers when it matters," Google website, accessed April 2020 at www.google.com/ads/.

11. "All Brands," Procter & Gamble website, accessed April 2020 at www.pg.ca/en-CA/our-brands; "Dawn," Procter & Gamble website, accessed April 2020 at https://dawn-dish.com/en-us/coupons-and-offers/canada.

Ipsos (2016) The Most Influential Brands in Canada 2015. Available at http://www.ipsos-na.com/dl/pdf/knowledge-ideas/marketing/IpsosMarketing_POV_MostInfluentialBrandsCA2015.pdf (accessed July 2016)

14. "2019 Global Best Global Brands," Interbrand website, accessed April 2020 at www.interbrand.com/best-brands/best-global-brands/2019/ranking/.

15. "What is a patent?" Canadian Intellectual Property Office website, accessed April 2020 at www.interbrand.com/best-brands/best-global-brands/2019/ranking/.

16. "What is copyright?" Canadian Intellectual Property Office website, accessed April 2020 at www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03719.html.

17. "What is a trademark?" Canadian Intellectual Property Office website, accessed April 2020 at www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr03718.html.

18. Maryam Mohsin, "10 Facebook Statistics Every Marketer Should Know in 2020" [Infographic], *Oberlo*, December 3, 2019, www.oberlo.com/blog/facebook-statistics; Ying Lin, "10 Twitter Statistics Every Marketer Should Know in 2020" [Infographic], *Oberlo*, November 30, 2019, www.oberlo.ca/blog/twitter-statistics; "How Many Domains Are There? – Domain Name Stats for 2020," Make a Website Hub website, accessed April 2020 at https://makeawebsitehub.com/how-many-domains-are-there/; Joe Styler, "The top 25 most expensive domain names" [Blog post], GoDaddy, June 18, 2019, www.godaddy.com/garage/the-top-20-most-expensive-domain-names/; Twubs.com, accessed April 2020 at https://twubs.com/; Laura MacFarlane and Richard Stobbe, "#Hashmarks: Can a Hashtag be a Trademark?" *Field Law*, October 2018, accessed April 2020 at www.fieldlaw.com/portalresource/can-a-Hashtag-be-a-Trademark?utm_source=Mondaq&utm_medium=syndication&utm_campaign=LinkedIn-integration; "What Is Cybersquatting? Examples and What You Need to Know," *University Herald*, January 15, 2020, www.universityherald.com/articles/77157/20200115/what-is-cybersquatting-examples-and-what-you-need-to-know.htm; Canadian Intellectual Property Office, *Trademarks Examination Manual*, September 2017 update.

Brandchannel (2016) Brand Glossary - Brand Personality. Available at http://brandchannel.com/brand-glossary/?ap=b (accessed July 2016).

19. "Brand Glossary - Brand Personality," Brandchannel website, accessed April 2020 at http://brandchannel.com/brand-glossary/?ap=b.

20. "Why Brand Personality Matters: Aligning Your Brand to Cultural Drivers of Success" Millward Brown, accessed April 2020 at www.millwardbrown.com/docs/default-source/insight-documents/points-of-view/Millward_Brown_POV_Brand_Personality.pdf.

21. "How Many Domains Are There? – Domain Name Stats for 2020."

22. Zachary Crockett, "Microsoft vs. MikeRoweSoft," January 21, 2014, http://priceonomics.com/microsoft-vs-mikerowesoft/.

23. "2018: Record Number of UDRP Cybersquatting Complaints Filed with WIPO," March 20, 2019, *IPzen*, accessed April 2020 at www.ipzen.com/3383-2/.

24.*Canadian Grocer*, "Canadians to shop private label, spend less on grocery delivery amid rising cost of living: Survey," https://canadiangrocer.com/canadians-shop-private-label-spend-less-grocery-delivery-amid-rising-cost-living-survey (accessed January 17, 2023).

25. Brad Tuttle, "Brand Names Don't Mean as Much Anymore, *Time*, November 1, 2012, http://business.time.com/2012/11/01/brand-names-just-dont-mean-as-much-anymore/.

3. "Packaging product specs," French's Flavor Ingredients, accessed April 2020 at www.frenchsflavoringredients.com/products/frenchs; "French's Tomato Ketchup Packet," McCormick for Chefs, accessed April 2020 at www.mccormickforchefs.com/products/frenchs/frenchs-tomato-ketchup-packet.

4. Adapted from the American Marketing Association's dictionary, accessed July 2016 at www.ama.org/resources/Pages/Dictionary.aspx?dLetter=N.

5. "About Tesla," Tesla website, accessed July 2016 at https://www.teslamotors.com/en_CA/about; Katie Fehrenbacher, "7 Reasons why Tesla Insists on Selling its Own Cars," *Fortune*, January 19, 2016, http://fortune.com/2016/01/19/why-tesla-sells-directly/.

Eco-Max (2016) About us. Available at http://eco-max.ca/consumer/about/ (accessed July 2016)

7. https://www.armysurplus.com/ accessed in April 2020.

7. Philip T. Kotler and Kevin Lane Keller, *Marketing Management*, 15th ed. (New York: Pearson Education, 2016).

9. "mi adidas," adidas website, accessed July 2016 at http://www.adidas.ca/en/customise.

8. Chris Powell, "Canadians can have a Keith and a smile with the second iteration of Coca-Cola Canada's popular 'Share a Coke' campaign," *Canadian Grocer*, July 20, 2015.

11. "Build and Price," Mini Canada website, accessed July 2016 at http://mini.ca/en/shopping/buildandprice.

9. Meagan Campbell, "E-scooter abandonment issues have cities scrambling to get problem under control," *National Post*, August 28, 2019, https://nationalpost.com/news/canada/e-scooter-abandonment-issues-have-cities-scrambling-to-get-problem-under-control; "Scooters In Calgary: Lime's First Gen 3 Launch In Canada Sees Surprising Results" [Blog post], 2nd Street Lime, July 26, 2019, www.li.me/second-street/scooters-calgary-lime-first-gen-3-launch-canada-surprising-results; Stephanie Babych, "E-scooters taking the winter off while city assesses pilot data," *Calgary Herald*, October 30, 2019, https://calgaryherald.com/news/local-news/e-scooters-taking-the-winter-off-while-city-assesses-pilot-data/; Thomas Daigle, "Why an image problem is slowing e-scooter rollout in Canada," *CBC News*, September 7, 2019, www.cbc.ca/news/technology/escooters-canada-analysis-1.5273793.

10. "Centrum Products," Centrum website, accessed April 2020 at www.centrum.ca/products.

11. "About us," Euromonitor website, accessed April 2023 at www.euromonitor.com/our-story

12. "PRIZM5," Environics Analytics website.

Pitney Bowes Canada (2016) Psyte HD, Available at http://www.pitneybowes.com/us/location-intelligence/gis-data-sets/psyte-hd-canada.html (accessed July 2016).

15. SuperDemographics website, accessed July 2016 at www.superdemographics.com.

DiFilipppis V(2016) Omni-Channel Marketing not Your Father's Customer Journey. June 10, 2016. Available at http://www.environicsanalytics.ca/blog-details/ea-blog/2016/06/10/omni-channel-marketing-not-your-fathers-customer-journey (accessed Aug 2016); Environics Analytics (2015) PRIZM5 Snapshots 2015. Available at www.environicsanalytics.ca

13. *Meet the Millenials*, Environics Institute, accessed in April 2023, https://environics.ca/social-values/social-values-segmentation/millennials/

Pitney Bowes Canada (2016) Psyte HD, Available at http://www.pitneybowes.com/us/location-intelligence/gis-data-sets/psyte-hd-canada.html (accessed July 2016)

14. PSYTE HD, Pitney Bowes Canada website, accessed April 2020 at www.pitneybowes.com/us/location-intelligence/gis-data-sets/psyte-hd-canada.html.

SuperDemographics (2016) Superdemographics Available atwww.superdemographics.com (accessed July 2016)

S**uperDemographics (2016) Superdemographics Available at www.superdemographics.com (accessed July 2016)**

17. Sam Oches, "Inside the Plan to Fix McDonald's," *QSR* magazine, May 2018, www.qsrmagazine.com/reports/inside-plan-fix-mcdonalds; "McDonald's® Canada will be the first company to serve Canadian beef from farms and ranches certified sustainable by leading industry experts" [Press release], McDonald's Canada, July 11, 2018, accessed August 2020 at www.newswire.ca/news-releases/mcdonalds-canada-will-be-the-first-company-to-serve-canadian-beef-from-farms-and-ranches-certified-sustainable-by-leading-industry-experts-687955591.html.

18. "A&W brings Beyond Meat's Revolutionary Plant-Based Burger to Canada" [Press release], A&W Food Services of Canada, June 21, 2018, accessed August 2020 at www.newswire.ca/news-releases/aw-brings-beyond-meats-revolutionary-plant-based-burger-to-canada-686152231.html; Harmeet Singh, "2017 Brands of the Year: A&W Stays Rooted in Real," September 26, 2017, *Strategy*, https://strategyonline.ca/2017/09/26/2017-brands-of-the-year-aw-stays-rooted-in-real/.

Cassies (2016), Interac Be in the Black Available at https://cassies.ca/entry/viewcasepast/24811 (accessed July 2016)
Interac (2015) Interac Debit is a low cost payment solution for merchants in Canada. Available at https://interac.ca/en/interac-debit-is-a-low-cost-payment-solution-for-merchants-in-canada.html (accessed July 2016)
Interac (2016) Our Company. Available at https://interac.ca/en/about/our-company.html (accessed July 2016)
Singh H (2016) Check it out: Interac's dog in debt. Strategy Online. April 11, 2016. Available at http://strategyonline.ca/2016/04/11/check-it-out-interacs-dog-in-debt/ (accessed July 2016)
Parkinson D (2016) Canada's household debt holds near record; growth moderates. The Globe and Mail. June 14, 2016. Available at http://www.theglobeandmail.com/report-on-business/economy/canadas-household-debt-holds-near-record-levels-growth-moderates/article30444416/ (accessed July 2016)

2. "Development of Tide Synthetic Detergent," American Chemical Society, October 25, 2006, accessed April 2020 at www.acs.org/content/acs/en/education/whatischemistry/landmarks/tidedetergent.html; "IGain," P&G Canada website, accessed April 2020 at www.pgeveryday.ca/brands/gain; "Ivory Snow," P&G Canada website, accessed April 2020 at www.pgeveryday.ca/brands/ivory-snow; "Tide laundry detergent," P&G Canada website, accessed April 2020 at www.pgeveryday.ca/brands/tide.

5. "Tru Earth Press," Tru Earth website, accessed April 2023 at www.tru.earth/Vancouver-Startup-Disrupts-Laundry-Industry-with-Revolutionary-New-Zero-Waste-Laundry-Strips.

16. Chris Powell, "TSN introduces 'Champions Live Here' positioning," *Marketing*, February 11, 2016, www.marketingmag.ca/advertising/tsn-introduces-champions-live-here-positioning-167838.

9. Ibid.

1. Personal and written communication with Dion Red Gun, founder River Ranche Lodge.

NA, "From carpentry to tourism: entrepreneur builds a dream" November 2017, Alberta Culture website, https://albertaculture.wordpress.com/2017/11/06/from-carpentry-to-tourism-entrepreneur-builds-a-dream/

Shmidt , Colleen, "Restart for Siksika's River Ranche ", November 2015, Calgary CTV News
https://calgary.ctvnews.ca/restart-for-siksika-s-river-ranche-1.2665041

Bickis, Ian "Indigenous tourism helps keep stories alive as international interest grows - Dion Red Gun of Siksika runs a fishing operation on the Bow River, part of a growing sector in Canada", January 2018, CBC Calgary News

https://www.cbc.ca/news/canada/calgary/indigenous-tourism-international-siksika-alberta-1.4469848

2. Amy He, "Average Time Spent with Media in Canada," *eMarketer*, July 2, 2019, https://www.emarketer.com/content/average-time-spent-with-media-in-canada.

1. Personal and written communication with Lisa Watts, co-owner Hub Town Brewery, April 2020; Hub Town Brewery Facebook Page, accessed April 2020 at https://www.facebook.com/hubtownbrewing; Hub Town Brewery website, accessed April 2020 at https://www.hubtownbrewing.com/our_story; Hub Town Brewery Instagram account, accessed April 2020 at https://twitter.com/hubtownbrewing; Megan Thrall, "Okotoks' Hub Town Brewing open for business this weekend," *Okotoks Today*, August 30, 2019, https://www.okotokstoday.ca/local-news/okotoks-hub-town-brewing-open-for-business-this-weekend-1667340; Remy Greer, "Okotoks small businesses delivering entrepreneurial spirit," *Okotoks Today*, April 1, 2020 , https://www.okotokstoday.ca/local-news/okotoks-small-businesses-delivering-entrepreneurial-spirit-2215738.

1. Personal and written communication with Erin Arthrell, Bioré brand manager, Kao Canada, November 2016; "Beauty and Personal Care in Canada," Euromonitor International, April 27, 2016, www.euromonitor.com; "Digital Signage in Cinema Lobby," Cineplex website, accessed November 2016 at http://media.cineplex.com/digital-signage; *Cineplex Magazine*, Cineplex, accessed November 2016 at http://media.cineplex.com/magazine; "The pre-movie ads go on, and on...," *Maclean's*, August 16, 2013, http://www.macleans.ca/politics/the-pre-movie-ads-go-on-and-on/.

7. Rob Young, "Canada's 2019 Media Landscape," PHD Canada (prepared for Interactive Advertising Bureau), May 2020, https://iabcanada.com/content/uploads/2017/02/2-Exec-Summary-T-Can-Final.pdf; Statistics Canada, "Zoom-ing in on Canadians' Internet use before and during the

pandemic, www.statcan.gc.ca/o1/en/plus/968-zoom-ing-canadians-internet-use-and-during-pandemic (accessed April 5, 2023).

Statista (2016) Forecast of Mobile Phone Users in Canada. Available at https://www.statista.com/statistics/274772/forecast-of-mobile-phone-users-in-canada/ (accessed Oct 2016)

CRTC. Communications Monitoring Report 2015. Availabe at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmrre.htm (accessed October 2016); Comscore. Digital Future in Focus Canada 2015. Accesses at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus

CRTC. Communications Monitoring Report 2015. Available at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmrre.htm (accessed October 2016); Comscore. Digital Future in Focus Canada 2015. Available at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus

Comscore. (2016) Digital Future in Focus Canada 2015. Available at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus (accessed October 2016).

Comscore. (2016) Digital Future in Focus Canada 2015. Available at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus (accessed October 2016).

Comscore. (2016) Digital Future in Focus Canada 2015. Available at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus (accessed October 2016).

McKinnon M. (2015) 2015 Canadian Social Media Usage Statistics. Accessed at **http://canadiansinternet.com/2015-canadian-social-media-usage-statistics/**

Statista (2016) Forecast of Mobile Phone Users in Canada. Available at https://www.statista.com/statistics/274772/forecast-of-mobile-phone-users-in-canada/ (accessed Oct 2016)

CRTC. Communications Monitoring Report 2015. Availabe at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmrre.htm (accessed October 2016); Comscore. Digital Future in Focus Canada 2015.

Accesses at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus

8. Ibis World, "Number of Mobile Telephone Subscriptions," www.ibisworld.com/ca/bed/number-of-mobile-telephone-subscriptions/15013/ (accessed April 5, 2023).

9. "Communications Monitoring Report 2019," CRTC website, accessed May 2020 at
https://crtc.gc.ca/eng/publications/reports/policymonitoring/2019/index.htm;
Bryan Segal, "Global Digital Future in Focus 2018 Canada," comScore, June 26, 2018, www.comscore.com/Insights/Presentations-and-Whitepapers/2018/Global-Digital-Future-in-Focus-2018-Canada-Edition;
Statista, "Penetration rate of smartphones in Canada from 2013 to 2028," www-statista-com.dproxy.library.dc-uoit.ca/forecasts/1144360/smartphone-penetration-forecast-in-canada?locale=en (accessed April 5, 2023).

Comscore. (2016) Digital Future in Focus Canada 2015. Available at https://www.comscore.com/Insights/Presentations-and-Whitepapers/2015/2015-Canada-Digital-Future-in-Focus (accessed October 2016)

10. Rich et al., "Digital Future in Focus Canada 2019"; Statista, "Daily time spent with selected media among adults in Canada as of 3rd quarter 2022, www.statista.com/statistics/237478/daily-time-spent-with-media-among-adults-in-canada/#:~:text=As%20of%20the%20third%20quarter,music%20streaming%20or%20gaming%20activities (accessed April 5, 2023).

12. Paul Briggs, "Canada Time Spent with Media 2022: Digital Video, Audio, and Social Media Are Gaining Ground," *eMarketer*, June 7, 2022, www.insiderintelligence.com/content/canada-time-spent-with-media-2022 (accessed April 5, 2023).

14. "Canadian Media Investment Trends: Where are ad budgets headed?" *Canada Media Insights*, February 26, 2016, http://media-corps.com/canadian-media-investments/.

13. Paul Briggs, "Canada Digital Ad Spending 2021: Strong Growth to Terutn as Recovery Looms," *eMarketer*, April 29, 2021, www.insiderintelligence.com/content/canada-digital-ad-spending-2021 (accessed April 5, 2023).

Macleans (2016) Maclean's 2016 rate card. Available at http://www.rogersmedia.com/wp-content/uploads/2013/03/15-528_MAC_MediaKit_FINAL.pdf (accessed October 2016).

4. "Maclean's 2022 rate card," *St. Joseph's Communication*, accessed April 24, 2023 at www.stjoseph.com/wp-content/uploads/2022/01/Maclean_s-Media-Kit-2022-Jan-19.pdf.

9. Media Play News (October 5, 2021), Number of Netflix viewers in Canada from 2017 to 2025 (in millions) [Graph], Statista, retrieved April 25, 2023, from www-statista-com.dproxy.library.dc-uoit.ca/statistics/324066/canada-netflix-subscribers/.

10. Sara Lebow, "In Canada, less than 50% of households will subscribe to pay TV in 2022," *Insider Intelligence*, www.insiderintelligence.com/content/canada-households-pay-tv-2022, August 27, 2021 (accessed April 25, 2023).

Newspapers Canada (2015) Circulation Report: Daily Newspapers. Available at http://newspaperscanada.ca/wp-content/uploads/2016/06/2015-Daily-Newspaper-Circulation-Report-REPORT_FINAL.pdf (accessed Nov 2016)

11. "Top 10 Canadian Newspapers," Agility PR Solutions, updated August 2020, accessed September 2020 at https://www.agilitypr.com/resources/top-media-outlets/top-10-canadian-print-outlets/.

Canadian Radio and Television Corporation (2015) Communications Monitoring Report 2015: Broadcasting sector overview. Available at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2015/cmr4.htm (accessed Nov 2016)

18. Statista, "Radio in Canada," www-statista-com.dproxy.library.dc-uoit.ca/study/35377/radio-in-canada-statista-dossier/ (accessed April 25, 2023).

15. "FAQ," Out-of-Home Marketing Association of Canada website, accessed November 2016 at http://www.omaccanada.ca/faq/.

19. COMMB, "Impact, Growth & Change in OOH," https://assets.ctfassets.net/1l6si2vnlb2k/2I0zRbjUD3tstJzVYWAxI2/185ec682f945d8fb33759df79c8ad3ec/INSIGHTS_REPORT_-_Q3_October_2022_-_EN.pdf, October 2022 (accessed April 26, 2023).

26. "McDonald's Monopoly Coast to Coast: McDonald's Restaurants of Canada," Media Agency of the Year 2018, *Strategy*, accessed May 2020 at https://agencyoftheyear.strategyonline.ca/winners/winner/2018/?e=66382&w=McDonald%27s+Monopoly+Coast+to+Coast; Mary Hanbury, "A former cop reportedly rigged McDonald's Monopoly game to win almost every prize for 12 years in a $24 million scheme," *Business Insider*, July 30, 2018, at www.businessinsider.com/mcdonalds-monopoly-game-rigged-scam-report-2018-7.

31. "What is direct marketing?" Direct Marketing Association of Canada website, accessed November 2016 at www.directmac.org/direct-marketing1.

5. "From zero to 60 in 4 seconds: BMW wins big with sensory cross-media marketing [Blog post]," Canada Post Corporation, August 8, 2013, https://www.canadapost.ca/web/en/blogs/business/details.page?article=2013/08/08/from_zero_to_60_in_4&cattype=business&cat=directmail; "The Making of a BMW M Print," BMW USA, November 19, 2012, https://youtu.be/aYuk64NMYLM.

7. "Corporate Partners," Toronto International Film Festival website, accessed November 2016 at http://www.tiff.net/partnerships/; "Sponsorship," Toronto International Film Festival website, accessed November 2016 at http://content.tiff.net.s3.amazonaws.com/documents/Sponsorship_Festival_2016.pdf; "Sponsorship Festival 2016," Toronto International Film Festival website, accessed November 2016 at http://content.tiff.net.s3.amazonaws.com/documents/Sponsorship_Festival_2016.pdf.

5. Adapted from the American Marketing Association's dictionary, accessed April 2020 at www.ama.org/resources/Pages/Dictionary.aspx.

6. "Advertising Budget," Inc. website, accessed November 2016 at www.inc.com/encyclopedia/advertising-budget.html.

17. Mike Isaac and Cecilia Kang, "Facebook says it won't back down from allowing lies in political ads," *New York Times*, January 9, 2020, www.nytimes.com/2020/01/09/technology/facebook-political-ads-lies.html; Zayan Guedim, "The Ethical Challenges of Facebook's Targeted Advertising," *Edgy*, December 22, 2019, https://edgy.app/the-ethical-challenges-of-facebooks-targeted-advertising?pfrom=article; Laurence Hart, "Facebook: A Case Study in Ethics," *CMSWire*, December 20, 2018, www.cmswire.com/digital-marketing/facebook-a-case-study-in-ethics/; Irina Raicu, "The Ethics of 'Giving People a Voice' and Political Advertising on Facebook," Markkula Center for Applied

Ethics at Santa Clara University, December 5, 2019, www.scu.edu/ethics-spotlight/social-media-and-democracy/the-ethics-of-giving-people-a-voice-and-political-advertising-on-facebook/; Forrester Research, "Facebook's recent moves highlight the grand challenge of digital ethics," *ZDNet*, July 3, 2019, www.zdnet.com/article/facebooks-recent-moves-highlight-the-grand-challenge-of-digital-ethics/; Margi Murphy, "Facebook removed from S&P list of ethical companies after data scandals," *The Telegraph*, June 13, 2019, www.telegraph.co.uk/technology/2019/06/13/facebook-gets-boot-sp-500-ethical-index/; James Vincent, "Facebook's problems moderating deepfakes will only get worse in 2020," *The Verge*, January 15, 2020, www.theverge.com/2020/1/15/21067220/deepfake-moderation-apps-tools-2020-facebook-reddit-social-media; Oliver Milman, "Defiant Mark Zuckerberg defends Facebook policy to allow false ads," *The Guardian*, December 2, 2019, www.theguardian.com/technology/2019/dec/02/mark-zuckerberg-facebook-policy-fake-ads.

30. "Coca-Cola's research funding criticized by obesity expert," *CBC News*, August 10, 2015, www.cbc.ca/news/health/coca-cola-s-research-funding-criticized-by-obesity-expert-1.3186279; Ed Hays, "Coca-Cola: We stand for quality, integrity," *USA Today*, August 16, 2015, www.usatoday.com/story/opinion/2015/08/16/coca-cola-company-ed-hays-editorials-debates/31818829/; Muhtar Kent, "Coca-Cola: We'll Do Better," *Wall Street Journal*, August 19, 2015, www.wsj.com/articles/coca-cola-well-do-better-1440024365; W. Comcowich, "Case Study: Coca-Cola PR Crisis Management," August 25, 2015, accessed November 2016 at www.cyberalert.com/blog/index.php/case-study-coca-cola-pr-crisis-management/.

13. Advertising Standards Canada, *Consumer Perspectives on Advertising 2016*, p. 7.

3. Adapted from the American Marketing Association's dictionary, "Affiliate Marketing," accessed November 2016 at https://www.ama.org/resources/pages/dictionary.aspx?dLetter=A.

Martin R. (2016). Email marketing is on the rise in Canada. Marketing Magazine. March 9, 2016. Available at **http://www.marketingmag.ca/tech/email-marketing-is-on-the-rise-in-canada-169813** (accessed Nov 2016)

6. Russ Martin, "Email marketing is on the rise in Canada," *Marketing*, March 9, 2016, http://www.marketingmag.ca/tech/email-marketing-is-on-the-rise-in-canada-169813.

37. Sarah O'Neill, " Word of Mouth Marketing: Stats and Trends for 2023," www.lxahub.com/stories/word-of-mouth-marketing-stats-and-trends-for-2023, April 22, 2022 (accessed April 29, 2023).

38. Ibid.

8. "Coke's "Share a Coke" Campaign: An Integrated Marketing Success," Incitrio [press release], October 1, 2014, http://incitrio.com/cokes-share-a-coke-campaign-an-integrated-marketing-success/.

18. Meghan Keaney Anderson, "The Best of B2B Marketing Content: 9 Examples [Blog post]," HubSpot, June 9, 2015, http://blog.hubspot.com/blog/tabid/6307/bid/33505/10-b2b-companies-that-create-exceptional-content.aspx#sm.00000k61g84uecztxyp1birlwcur0.

45. "Tangerine Dreams of Fully Integrated Content Marketing," *Marketing*, August 22, 2016, www.marketingmag.ca/sponsored/tangerine-dreams-of-fully-integrated-content-marketing-181688; "Forward Thinking," Tangerine website, accessed November 2016 at www.tangerine.ca/forwardthinking/.

46. Bailey Roy, "Social vs. Traditional Media: Has the Battle Already Ended?" *MyPRSA*, April 1, 2016, www.prsa.org/Intelligence/Tactics/Articles/view/11445/1124/Social_vs_Traditional_Media_Has_the_Battle_Already#.WDzXJ_krLIU.

47. Valentina Dencheva, "Leading benefits of using social media for marketing purposes worldwide as of January 2022," *Media Examiner*, www.statista-com.dproxy.library.dc-uoit.ca/statistics/188447/influence-of-global-social-media-marketing-usage-on-businesses/, January 6, 2023, (accessed May 1, 2023).

22. "2016 Canadian Social Media Monitor," Insights West.

48. Ibid.

49. Swetha Ameresan, "What Are Your Customers' Expectations for Social Media Response Time?" Hubspot, https://blog.hubspot.com/service/social-media-responsetime#:~:text=79%25%20of%20customers%20expect%20a,happy%20with%20their%20response%20time, March 17, 2021 (accessed May 1, 2023).

Statista (2016) Leading countries based on number of monthly active YouTube users as of 1st quarter 2016 (in millions). Available at https://www.statista.com/statistics/280685/number-of-monthly-unique-youtube-

users/ (accessed Dec 2016); Statista (2016) Number of Facebook user in Canada from 2012-2018 (in millions). Available at https://www.statista.com/statistics/282364/number-of-facebook-users-in-canada/ (accessed Dec 2016)

50. S Dixon, "Leading social media websites in Canada in December 2022, based on share of visits, Statista. January 20, 2023 (accessed May 1, 2023).

52. "Global Social Media Ranking," Statista, accessed April 2020 at www.statista.com/statistics/272014/global-social-networks-ranked-by-number-of-users/.

53. Sprout Social, "50+ of the most important social media marketing statistics for 2023," March 23, 2023. (accessed May 1, 2023).

Facebook (2016) Facebook Business – Facebook Ads Basic. Available at https://www.facebook.com/business/learn/facebook-ads-basics (accessed Dec 2016)

Karasiewicz C (2016) 6 Ways to Use Facebook Live Video for your business. Available at http://www.socialmediaexaminer.com/6-ways-to-use-facebook-live-video-for-your-business/ (accessed Dec 2016)

Karasiewicz C (2016) 6 Ways to Use Facebook Live Video for your business. Available at http://www.socialmediaexaminer.com/6-ways-to-use-facebook-live-video-for-your-business/ (accessed Dec 2016)

55. Christian Karasiewicz, "6 Ways to Use Facebook Live Video for Your Business," *Social Media Examiner*, July 25, 2016, www.socialmediaexaminer.com/6-ways-to-use-facebook-live-video-for-your-business/.

54. "Facebook Business – Facebook Ads Basic," Facebook website, accessed December 2016 at www.facebook.com/business/learn/facebook-ads-basics.

56. Dominique Jackson, "10 Ways Marketers Can Increase Facebook Engagement [Blog post]," SproutSocial, March 21, 2016, http://sproutsocial.com/insights/facebook-engagement/.

32. "Facebook Pages Stats in Canada," Socialbakers website, accessed at https://www.socialbakers.com/statistics/facebook/pages/local/canada/brands/.

57. "Facebook Awards 2016 Winners - Beats by Dre," Facebook website, accessed December 2016 at www.facebook-studio.com/awards/winners#/gallery/submission/beats-by-dre.

58. J. Degenhard, "Number of Twitter users worldwide from 2018 to 2027," Statista, March 21, 2023 (accessed May 1, 2023).

59. "2019 Canadian Social Media Monitor," *Insights West,* www.insightswest.com/wp-content/uploads/2019/06/Rep_IW_CDNSocialMediaInsights_June2019.pdf.

37. Wexler, "The 2015 Marketer Survey."

60. Jenn Chen, "Twitter Tips for Your Business to Follow Into 2017 [Blog post]," SproutSocial, November 30, 2016, http://sproutsocial.com/insights/twitter-tips/.

61. Richard O'Flynn, "The Way The Social Cookie Crumbles: The Genius of Oreo's Social Media Marketing," *201:digital*, April 23, 2015, www.201digital.co.uk/way-social-cookie-crumbles-genius-oreos-social-media-marketing-can-learn/.

Insights West (2016) 2016 Canadian Social Media Monitor. May 2016. Available at http://www.insightswest.com/wp-content/uploads/2016/05/Rep_InsightsWest_CDNSocialMediaMonitor_2016.pdf (accessed Nov 2016)

7. "2016 Canadian Social Media Monitor," Insights West, May 2016, http://www.insightswest.com/wp-content/uploads/2016/05/Rep_InsightsWest_CDNSocialMediaMonitor_2016.pdf.

40. Steve Olenski, "What Is Periscope And How Can You Use It For Business Video Streaming?" *Forbes*, December 5, 2015, http://www.forbes.com/sites/steveolenski/2015/12/05/what-is-periscope-and-how-can-you-use-it-for-business-video-streaming/print/; Therese, "Facebook Live vs. Periscope: What's the difference?" *Social Media Hound*, September 20, 2016, http://www.socialmediahound.com/2016/09/20/facebook-live-vs-periscope/.

62. "Statistics," YouTube website, accessed April 2020 at www.youtube.com/yt/press/statistics.html; J. Degenhard, "Number of YouTube users worldwide from 2019 to 2028," Statista www.statista.com/forecasts/1144088/youtube-users-in-the-world, March 21, 2023 (accessed May 1, 2023).

63. Cocomelon, "Cocomelon," https://cocomelon.com/pages/watch (accessed May 1, 2023); Cocomelon Nursery Rhymes, www.youtube.com/@CoComelon/about (accessed May 1, 2023).

Socialbakers (2013) Socialbakers Mini-Report – Red Bull Stratos on social media. Available at **https://cdn.socialbakers.com/www/archive/storage/www/red-bull-stratos-case-study.pdf** (accessed Dec 2016)

64. "Socialbakers Mini-Report: Red Bull Stratos on Social Media," Socialbakers, accessed December 2016 at https://cdn.socialbakers.com/www/archive/storage/www/red-bull-stratos-case-study.pdf.

Statista (2016) LinkedIn Statistics and Facts. Available at https://www.statista.com/topics/951/linkedin/ (accessed Dec 2016)

44. Jennifer Horn, "What is on the mind of Canada's marketers," *Strategy*, January 15, 2019, https://strategyonline.ca/2019/01/15/what-is-on-the-mind-of-canadas-marketers/.

66. "Official GoPro Instagram page," GoPro, accessed December 2016 at www.instagram.com/gopro/.

Patel N (2016) 6 Tactics that will Instantly Improve your Instagram engagement. Available at http://www.forbes.com/sites/neilpatel/2016/05/12/6-tactics-that-will-instantly-improve-your-instagram-engagement/2/#4be885fa533f (accessed Dec 2016); Simmonds R. (2015) 7 ways to Build an Engaged Instagram following. Available at http://www.socialmediaexaminer.com/build-an-engaged-instagram-following/ (accessed Dec 2016)

67. Neil Patel, "6 Tactics That Will Instantly Improve Your Instagram Engagement," *Forbes*, May 12, 2016, www.forbes.com/sites/neilpatel/2016/05/12/6-tactics-that-will-instantly-improve-your-instagram-engagement/2/#4be885fa533f; Ross Simmonds, "7 Ways to Build an Engaged Instagram Following," *Social Media Examiner*, May 25, 2015, www.socialmediaexaminer.com/build-an-engaged-instagram-following/.

68. "About LinkedIn," LinkedIn website, n.d., accessed May 1, 2023 at https://about.linkedin.com/.

48. Wexler, "The 2015 Marketer Survey."

69. Danielle Thibault, "8 Ways to Increase Engagement on LinkedIn Company Pages," July 3, 2015, accessed December 2016 at www.linkedin.com/pulse/8-ways-increase-engagement-linkedin-company-pages-danielle-thibault; S. Dixon, "Share of LinkedIn users in Canada as of December 2022, by age group," www.statista.com/statistics/1134991/linkedin-user-share-in-canada-age/#:~:text=LinkedIn%20had%2021.7%20million%20users,to%2054%20year%20age%20group, January 21, 2023 (accessed May 1, 2023).

50. "Radian6," Salesforce Marketing Cloud, accessed December 2016 at https://www.marketingcloud.com/au/products/social-media-marketing/radian6/.

70. Petroc Taylor, "Global unique mobile subscribers from 2010 to 2025, by region (in millions)," www.statista.com/statistics/740154/worldwide-unique-mobile-subscribers-by-region/GSMA, January 18, 2023 (accessed May 1, 2023).

71. "MMA Glossary – Mobile Marketing," Mobile Marketing Association website, accessed December 2016 at www.mmaglobal.com/wiki/mobile-marketing.

53. "PC Magazine Encyclopedia – Feature Phone," PC Magazine website, accessed December 2016 at http://www.pcmag.com/encyclopedia.

72. "PC Magazine Encyclopedia – Smartphone," *PC Magazine* website, accessed December 2016 at www.pcmag.com/encyclopedia.

55. "Wearables in Canada," Statista website, accessed April 2020 at https://www.statista.com/outlook/319/108/wearables/canada

48. "Digital 2019 Canada", Hootsuite, accessed April 2020 at https://www.slideshare.net/DataReportal/digital-2019-canada-january-2019-v01

59. "Digital 2019 Canada," Hootsuite, accessed April 2020 at https://www.slideshare.net/DataReportal/digital-2019-canada-january-2019-v01.

60. Paul Briggs, "Canada Ecommerce 2019," *Emarketer*, June 27, 2019, https://www.emarketer.com/content/canada-ecommerce-2019.

51. Sarah Radwanic, "An Average Monday in the UK: PCs for Lunch, Tablets for Dinner," comScore, February 17, 2013, http://www.comscore.com/Insights/Data-Mine/An-Average-Monday-in-the-UK-PCs-for-Lunch-Tablets-for-Dinner.

56. "PC Magazine Encyclopedia – Wearable Computing," PC Magazine website, accessed December 2016 at http://www.pcmag.com/encyclopedia.

52. "Mobile Device Activities," Media Technology Monitor website, accessed December 2016 at https://mtm-otm.ca/Download.ashx?req=18-2-1.

53. "The State of e-Commerce in Canada," CIRA, March 2016, https://cira.ca/sites/default/files/public/Ecommerce-Factbook-March-2016.pdf.

61. "Mobile Path to Purchase: Five Key Findings," Google/Nielsen Company, November 2013, https://ssl.gstatic.com/think/docs/mobile-path-to-purchase-5-key-findings_research-studies.pdf.

76. Christine Austin, "8 Awesome Examples of Effective Mobile Web Design," June 26, 2017, www.impactbnd.com/8-awesome-examples-of-effective-mobile-website-design.

63. "Number of apps available in leading app stores as of First Quarter 2020," Statista website, accessed May 2020 at https://www.statista.com/statistics/276623/number-of-apps-available-in-leading-app-stores/.

64. Irfan Ahmad, "60+ Fascinating Smartphone Apps Usage Statistics For 2019 [Infographic]," Social Media Today, March 23, 2019, https://www.socialmediatoday.com/news/60-fascinating-smartphone-apps-usage-statistics-for-2019-infographic/550990/#:~:text=A%20key%20point%20of%20note,those%20apps%20see%20daily%20use.

65. "Digital 2019 Canada," we are social and Hootsuite, January 2019, accessed May 2020 at https://www.slideshare.net/DataReportal/digital-2019-canada-january-2019-v01.

78. "Mobile App Marketing Insights: How Consumers Really Find and Use Your Apps," Google/Ipsos, May 2015, https://think.storage.googleapis.com/docs/mobile-app-marketing-insights.pdf.

79. Raluca Budiu, "Mobile: Native Apps, Web Apps, and Hybrid Apps," Nielsen Norman Group, September 14, 2013, www.nngroup.com/articles/mobile-native-apps/.

80. Olga Kharif and Leslie Patton, "Starbucks Takes its Pioneering Mobile-Phone App to a Grande Level," *Bloomberg*, March 30, 2016, www.bloomberg.com/news/articles/2016-03-30/starbucks-takes-its-pioneering-mobile-phone-app-to-grande-level.

20. Statista, "Mobile advertising spending in Canada from 2017 to 2026, by format," www.statista.com/forecasts/376125/mobile-advertising-spending-canada-by-category (accessed April 23, 2023).

21. Stephen Jenkins, "What's My Worth? How Ads Appeal to Consumers," Millennial Media [blog], August 27, 2015, www.millennialmedia.com/mobile-insights/blog/whats-my-worth-how-ads-appeal-to-consumers.

27. Lynn Bates, "Are QR Codes Still Relevant in 2016?" Mobilozophy [blog], February 2, 2016, http://blog.mobilozophy.com/are-qr-codes-still-relevant-in-2016.

29. Romet Kallas, "Proximity Marketing - What, How, Why?" Unacast [blog], March 23, 2016, https://unacast.com/post/proximity-marketing-what-how-why.

26. "More Marketers Use Proximity Tech, Beacons to Get Closer to the Action," *eMarketer*, September 1, 2016, https://www.emarketer.com/Articles/Print.aspx?R=1014428.

81. "The Wireless Code, Simplified," Canadian Radio-television and Telecommunications Commission website, accessed December 2016 at http://crtc.gc.ca/eng/phone/mobile/codesimpl.htm.

82. "Canadian Common Short Code Application Guidelines. Version 3.0," Canadian Wireless Telecommunications Association, March 11, 2015, http://www.txt.ca/wp-content/uploads/2015/06/Canadian-Common-Short-Code-Application-Guidelines.pdf.

83. "About Us," Mobile Marketing Association website, accessed April 2017 at www.mmaglobal.com/about; "Global Code of Conduct," Mobile Marketing Association, July 15, 2008, www.mmaglobal.com/files/codeofconduct.pdf.

16. Statistics Canada, "Canada's Population, July 1 2019."

1. "Our Story," Hillberg & Berk website, accessed April 2020 at https://hillbergandberk.com/pages/our-story; personal communication with Brittany Mattick, Hallie Bolen (director, purpose & engagement, Hillberg & Berk), and Katie Smith (community engagement partner, Calgary Hillberg & Berk); Craig Patterson, "Canadian Jewellery Brand 'Hillberg & Berk' Announces Retail Store Expansion into British Columbia and Manitoba," *Retail Insider*, September 3, 2019, https://www.retail-insider.com/retail-insider/2019/9/canadian-jewellery-brand-hillberg-amp-berk-announces-retail-store-expansion-into-british-columbia-and-manitoba; Rick Spence, "The story behind Canadian jewellery retailer Hillberg &

Berk's impressive growth," *Financial Post*, March 20, 2015, https://business.financialpost.com/entrepreneur/regina-jewellery-retailer-hillberg-berk-has-a-method-to-pulling-off-one-of-the-toughest-acts-going-national; Michelle Magnan, "Meet Hillberg & Berk founder Rachel Mielke," *Feverish News*, May 10, 2019, https://feverishnews.com/meet-hillberg-berk-founder-rachel-mielke/; "Rachel Mielke (HS'98)," Luthor College High School website, accessed April 2020 at https://www.luthercollege.edu/high-school/alumni-friends/alumni/the-luther-story/springsummer-2017-alumni-profiles/rachel-mielke-hs98.

27. Written communication with Sameera Banduk, marketing director, Thalmic Labs, August 2016.

28. Ibid.

30. Written communication with Sameera Banduk, marketing director, Thalmic Labs, August 2016.

31. Ibid.

51. Valentina Dancheva, " Leading social media platforms used by marketers worldwide as of January 2022," www.statista.com/statistics/259379/social-media-platforms-used-by-marketers-worldwide, January 6, 2023 (accessed May 1, 2023).

18. Nicole Sperling, "Netflix Will End Its DVD Service, 5.2 Billion Discs Later," *The New York Times*, April 18, 2023, www.nytimes.com/2023/04/18/business/media/netflix-dvds-earnings.html#:~:text=After%2025%20years%2C%20Netflix%20is,red%2Dand%2Dwhite%20envelopes; Jon Swartz, "Netflix may have edge on competition as coronavirus keeps people looking for new shows," *MarketWatch*, April 7, 2020, www.marketwatch.com/story/netflix-in-the-age-of-covid-19-streaming-pioneer-may-have-new-edge-on-competition-2020-04-07; Aneri Pattani, "Why Spotify, Netflix and HBO nailed business model of the future," CNBC, October 31, 2016, www.cnbc.com/2016/10/31/why-spotify-netflix-and-hbo-nailed-business-model-of-the-future.html; Michelle Castillo, "Netflix plans to spend $6 billion on new shows, blowing away all but one of its rivals," CNBC, October 17, 2016, www.cnbc.com/2016/10/17/netflixs-6-billion-content-budget-in-2017-makes-it-one-of-the-top-spenders.html; Peter Cohan, "How Netflix Reinvented Itself," *Forbes*, April 23, 2013, www.forbes.com/sites/petercohan/2013/04/23/how-netflix-reinvented-itself/#5f3907242886.

26. "Pampers and Unicef: A powerful partnership and a decade of achievement," Pampers.ca, accessed June 2017 at https://www.pampers.ca/en-ca/about-pampers/pampers-unicef-partnership/article/pampers-and-unicef-the-journey-so-far-a-decade-of-achievement.

71. Office of the Privacy Commissioner of Canada, *Personal Information Protection and Electronic Document Act*, accessed May 2016 at https://www.priv.gc.ca/en/privacy-topics/privacy-laws-in-canada/the-personal-information-protection-and-electronic-documents-act-pipeda/pipeda-compliance-help/guide_org/.

16. Statista, "Magazines in Canada," www-statista-com.dproxy.library.dc-uoit.ca/study/34932/magazines-in-canada-statista-dossier (accessed April 25, 2023).

17. AgilityPR, "Top 10 Canadian Magazines by Circulation," www.agilitypr.com/resources/top-media-outlets/top-10-canadian-magazines/ July 2022 (accessed April 25, 2023).

8. Scott Shane and Chester Spell, "Factors for New Franchise Success," *MIT Sloan Management Review*, April 15, 1998, http://sloanreview.mit.edu/article/factors-for-new-franchise-success/; Richard Branson, "Richard Branson on Building a Strong Reputation," *Entrepreneur*, April 8, 2013, www.entrepreneur.com/article/226296.

7. Lindsay William-Ross, "McDonald's re-opens first Canadian location in Richmond with a modern rebuild and fun look back to 1967," *Daily Hive*, June 21, 2017, accessed at https://dailyhive.com/vancouver/first-mcdonalds-canada-richmond-grand-reopening-2017; "Foundations of Franchising," International Franchise Association (n.d.), accessed at www.franchise.org/code.aspx.

* Price is always 100 percent when markup is relative to price.

* Price is always 100 percent when markup is relative to price.

** Cost is always 100 percent when markup is relative to cost.

X. Source

6. S. Tam, S. Sood, and C. Johnston, "Analysis on supply chains in Canada, second quarter of 2022," Statistics Canada, June 2, 2022, accessed at www150.statcan.gc.ca/n1/pub/11-621-m/11-621-m2022008-eng.htm.

12. Richard Robinson, "It's Time for Marketers to Start a Bonfire of the Legacies," *Marketing Week,* January 26, 2017: 13; David Z. Morris, "Elon Musk Is the Most Admired Leader in Technology," *Fortune,* September 8, 2016: 1; "Microsoft Joins Forces with Musk on Artificial-Intelligence Deal," *Investors Business Daily,* November 15, 2016: 1.

X. Source

34. Casey Bond, "Here's how Ebates/Rakuten and other cashback sites really work," *Huffington Post*, March 1, 2019, www.huffingtonpost.ca/entry/ebates-online-shopping-cash-back_n_5c0f1d5fe4b0edf5a3a7eec0; "About Us," Rakuten website, n.d., accessed September 2020 at https://global.rakuten.com/corp/about/; "About Rakuten Canada," Rakuten website, n.d., accessed September 2020 at www.rakuten.ca/static/about-rakuten.

5. Lawrence D. Gibson, "Defining Marketing Problems," *Marketing Research,* Spring 1998, pp. 4–12; and Martin Meister, "How to Define a Marketing Research Problem," *Business Insights Review,* July 11, 2012.

4. A lengthier, expanded definition is found on the American Marketing Association's website. See www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx; and for a researcher's comments on this and other definitions of marketing research, see Lawrence D. Gibson, "Quo Vadis Marketing Research?" *Marketing Research,* Spring 2000, pp. 36–41.

8. David A. Aaker, V. Kumar, George S. Day, and Robert P. Leone, *Marketing Research,* 10th ed. (Hoboken, NJ: Wiley, 2010), pp. 114–16.

19. "What Is Online Research?" Marketing Research Association, accessed at http://www.marketingresearch.org/?q=node/221. See also *www.surveymonkey.com*.

10. For more discussion on wording questions effectively, see Gilbert A. Churchill Jr., Tom J. Brown, and Tracy A. Suter, *Basic Marketing Research,* 7th ed. (Mason, OH: South-Western, Cengage Learning, 2010), pp. 289–307.

27. Janakiraman Moorthy, Rangin Lahiri, Neelanjan Biswas, Dipyaman Sanyal, Jayanthi Ranjan, Krishnadas Nanath, and Pulak Ghosh, "Big Data: Prospects and Challenges," *Vikalpa,* January–March, 2015, pp. 74–96; Karthik Kambatla, Giorgos Kollias, Vipin Kumar, and Ananth Grama, "Trends in Big Data Analytics," *Journal of Parallel and Distributed Computing,*" January 2014, pp. 2561–73; Steve LaValle, Eric Lesser, Rebecca Shockley, Michael S. Hopkins, and Nina Kruschwitz, "Big Data,

Analytics and the Path from Insights to Value," *Sloan Management Review,* Winter 2011, pp. 21–31; and "Big Data: Before You Start Restricting It, Be Aware of All the Opportunities," *The Wall Street Journal,* November 19, 2012, p. R10.

28. Hal Conick, "The Past, Present and Future of AI in Marketing," *Marketing News,* January 2017, pp. 26-35.

29. "Target Using Predictive Analytics to Increase Value Capture," HBS Digital Innovation and Transformation," November 22, 2015, https://digit.hbs.org/submission/target-using-predictive-analytics-to-increase-value-capture/.

X. T. J. Kiely, "5 Digital Marketing Trends That Will Shape Your 2018," *thedrum.com*, January 12, 2018; Patricia Odell, "Top 10 Trends to Transform Digital Marketing in 2017," *Promotional Marketing*, January 20, 2017, p. 1; Hal Conick, "2017 Marketing Trends from CES," *Marketing News,* February 2017, pp. 3–4; Verne Harnish, "5 Trends to Ride in 2017," *Fortune.com,* p. 32; and Patricia Odell, "10 Disruptive Marketing Trends All Marketers Should Consider," *Promotional Marketing,* February 2, 2017, p. 1.

18. T. J. Kiely, "5 Digital Marketing Trends That Will Shape Your 2018," *thedrum.com*, January 12, 2018; Patricia Odell, "Top 10 Trends to Transform Digital Marketing in 2017," *Promotional Marketing*, January 20, 2017, p. 1; Hal Conick, "2017 Marketing Trends from CES," *Marketing News,* February 2017, pp. 3–4; Verne Harnish, "5 Trends to Ride in 2017," *Fortune.com,* p. 32; and Patricia Odell, "10 Disruptive Marketing Trends All Marketers Should Consider," *Promotional Marketing,* February 2, 2017, p. 1.

46. Tanya Dua, "From Coca-Cola to Barbie: The Fierce Rise of Gender-Neutral Advertising," *Digiday,* March 29, 2015; Kristina Monllos, "Brands Are Throwing Out Gender Norms to Reflect a More Fluid World," *Adweek,* October 17, 2016; Kelvin Claveria, "Ungendered: Why Forward-Thinking Marketers Are Embracing Gender Fluidity," *Visioncritical,* October 24, 2016; Sam Frizell, "Here's How Pinterest Is Trying to Attract More Men," *Time.com,* January 23, 2015, p. 1; Gillian Rich, "Can Female-Focused Lululemon Sell Yoga Pants to Men?" *Investors Business Daily,* June 14, 2013, p. 1; Elizabeth Sweet, "Guys and Dolls No More?" *The New York Times,* December 23, 2012, p. 12; and Patricia Odell, "UGG VP Marketing on Tom Brady's Impact on the Brand," *Chief Marketer,* November 29, 2012.

57. Nidhi Singal, "Tech Trends 2017," *Business Today,* January 29, 2017, pp. 106–09; "5 CES Tech Trends to Look Out for in 2017," *Design Week,* January 5, 2017, p. 4; Lucy Handley, "Artificial Intelligence: A Genuine Opportunity," *Marketing*

Week, May 19, 2016, pp. 33–35; Jay Greene and Ted Greenwald, "IBM, Salesforce Agree to Partner on Artificial Intelligence," *The Wall Street Journal,* March 6, 2017; Elizabeth Weise, "Amazon Delivered Its First Customer Package by Drone," *USA Today*, December 14, 2016; Adi Robertson, "LG Put WebOS and Amazon Alexa on a Fridge," *The Verge,* January 4, 2017; and Alex Davies, "Google's Self-Driving Car Company Is Finally Here," www.wired.com, December 13, 2016.

17. Heather MacMullin, "Halo Top, The Low-Cal Ice Cream Americans Are Obsessed With, Is Here – But How Does It Taste?" *Chatelaine*, March 5, 2018, www.chatelaine.com/food/trends/halo-top-ice-cream-canada/.

18. Debra Kelly, "The Untold Truth of Halo Top Ice Cream," *Mashed.com*, February 12, 2018, www.mashed.com/109187/untold-truth-halo-top-ice-cream/.

48. "The State of the Industry: Mobile Marketing in North America," WARC and the Mobile Marketing Association, May 2017, www.mmaglobal.com/documents/state-mobile-marketing-north-america (accessed March 2020).

49. Ibid.

36. Ibid.

53. Kayla Matthews, "The 6 Best Augmented Reality Marketing Campaigns We've Seen So Far "[Blog post], *MarTech Advisor*, March 19, 2019, www.martechadvisor.com/articles/interactive-marketing/the-6-best-augmented-reality-marketing-campaigns-weve-seen-so-far/ (accessed March 2020).

58. Allie Decker, "The Ultimate Guide to Marketing Trends in 2020" [Blog post], HubSpot.com, August 8, 2019, https://blog.hubspot.com/marketing/marketing-trends (accessed March 2020).

54. Hal Conick, "Turning Big Data into Big Insights," *Marketing News*, January 2017, pp. 12–13; Ralph Finos, "2016–2026 Worldwide Big Data Market Forecast," www.wikibon.com, March 30, 2016; Marco Vriens and Patricia Kidd, "The Big Data Shift," *Marketing Insights*, November–December 2014, pp. 22–29; Cliff Saran, "Big Data Technology Has Its Work Cut Out to Harness Web Analytics," *Computer Weekly*, May 13–19, 2014, p. 12; Warren Shiau, "Canadian Big Data and Analytics Software Forecast, 2021–2025," www.idc.com/getdoc.jsp?containerId=CA46273521#:~:text=%22The%20Canadian%20big%20data%20and,%2Dyear%20CAGR%20of%2010.0%25 (accessed November 11, 2022).

66. Alan Cross, "Canadians continue to adopt streaming music, and there's no going back: Alan Cross," Global News, April 21, 2019, https://globalnews.ca/news/5176580/canadians-streaming-music/.

71. Paul Briggs, "Canada Mobile Payment Users 2019," *eMarketer*, October 2019, https://www.emarketer.com/content/canada-mobile-payment-users-2019.

6. "About Us," Crown Outdoor & Tactical website, accessed April 2020 at www.armysurplus.com/service/about/.

René Vader Global Sector Leader, Consumer & Retail KPMG International

1. Personal correspondence with J.R. Brooks, co-owner of True Buch Kombucha; A. Amir, "Soda Production in the US," *IBIS World*, May 2019, https://clients1.ibisworld.com/reports/us/industry/default.aspx?entid=285; "Keeping It Raw. Why We Don't Pasteurize Our Kombucha," Bootleg Bucha, February 16, 2018, https://bootlegbucha.com/2018/02/16/keeping-raw-dont-pasteurize-kombucha/; "Top Five Kombucha Brands [Blog post]," Brew Your Bucha, April 21, 2018, https://brewyourbucha.com/ca/2018/04/21/kombucha-brands/; "Canada's Soft Drink, Bottled Water and Ice Industry," Agriculture and Agri-Food Canada website, n.d., accessed November 2019 at http://www.agr.gc.ca/eng/industry-markets-and-trade/canadian-agri-food-sector-intelligence/processed-food-and-beverages/profiles-of-processed-food-and-beverages-industries/canada-s-soft-drink-bottled-water-and-ice-industry/?id=1172167862291; Samantha Cassetty, "Diet and nutrition trends to keep (and toss) in 2019," NBC News, December 27, 2018, https://www.nbcnews.com/better/pop-culture/diet-nutrition-trends-keep-toss-2019-ncna952286; Joe Leech, "8 Evidence-Based Health Benefits of Kombucha Tea," *Healthline*, August 29, 2018, https://www.healthline.com/nutrition/8-benefits-of-kombucha-tea; Rachael Link, "Kombucha SCOBY: What It Is and How to Make One," *Healthline*, October 22, 2018, https://www.healthline.com/nutrition/kombucha-scoby; Joseph V. Micallef, "How The Cannabis Industry Is Revolutionizing The Beverage Sector," *Forbes*, May 22, 2019, https://www.forbes.com/sites/joemicallef/2019/05/22/how-the-cannabis-industry-is-revolutionizing-the-beverage-sector/#3ad455815673; M. Shahbandeh, "Soft drinks in Canada- statistics & facts," Statista, June 5, 2019, https://www.statista.com/topics/4259/soft-drinks-in-canada/; Kate Taylor, "People are drinking less Pepsi and Coke than ever — and it reveals the power of the 'biggest marketing trick of the century,'" *Business Insider*, May 7, 2018, https://www.businessinsider.com/pepsi-coke-decline-while-bottled-water-grows-2018-5; Christina Troitino, "Kombucha 101: Demystifying the Past, Present and Future of The Fermented Tea Drink," *Forbes*, February 1, 2017,

https://www.forbes.com/sites/christinatroitino/2017/02/01/kombucha-101-demystifying-the-past-present-and-future-of-the-fermented-tea-drink/; "FAQs," True Büch, n.d. Accessed November 2019 at http://truebuch.com/faq; (2018). "Cannabis Industry Leader Zenabis Ltd. Signs LOI With Hillsboro Corp Inc., Maker of True Buch Kombucha" [Press release], True Büch News, October 16, 2018, https://truebuch.com/news/2018/10/17/zenabis-true-buch; Laura Unger, "Tea's health benefits boost its popularity," *Washington Post*, April 1, 2013, https://www.washingtonpost.com/national/health-science/teas-health-benefits-boost-its-popularity/2013/04/01/be818cfe-6ef5-11e2-aa58-243de81040ba_story.html; Larissa Zimberoff, "Why Kombucha May Never Make It Really Big," Bloomberg, October 5, 2018, https://www.bloomberg.com/news/articles/2018-10-05/can-big-soda-take-kombucha-mainstream.

22. Personal correspondence with J.R. Brooks, co-owner of True Büch Kombucha, April 2020.

24. Personal correspondence with J.R. Brooks, co-owner of True Büch Kombucha, April 2020.

26. Pete Evans, "Canadian shoe chain Aldo seeks creditor protection, citing pandemic pressure," *CBC News*, May 7, 2020, www.cbc.ca/news/business/aldo-bankruptcy-1.5559810; Eliza Ronalds-Hannon and Paula Sambo, "Shoe chain Aldo seeks bankruptcy protection to restructure debt," *Financial Post*, May 7, 2020, https://business.financialpost.com/news/retail-marketing/shoe-chain-aldo-seeks-bankruptcy-protection-to-restructure-debt; Tami Jeanneret, "A Trio of retailers file for bankruptcy protection," iHeartRADIO, May 8, 2020, www.iheartradio.ca/610cktb/news/a-trio-of-retailers-file-for-bankruptcy-protection-1.12360455.

4. Yuki Noguchi, "Nice To Meet You, But How To Greet You? #NoHandshakes Leaves Businesspeople Hanging," NPR, March 12, 2020, www.npr.org/2020/03/12/814076913/nice-to-meet-you-but-how-to-greet-you-nohandshake-leaves-businesspeople-hanging; Canadian Press, "Coronavirus: Canada's top CEOs say limiting COVID-19 should be 'singular objective,'" *Global News*, March 16, 2020, https://globalnews.ca/news/6682640/coronavirus-canada-ceo-letter/; Gene Marks, "On CRM: How Companies Are Leveraging Their CRM To Help Navigate Through COVID-19," *Forbes*, March 20, 2020, www.forbes.com/sites/quickerbettertech/2020/03/20/on-crm-how-companies-are-leveraging-their-crm-systems-to-help-navigate-through-covid-19/#3d9dc924fb84.

1. Jon Rumley, "Tim Hortons' Roll Up The Rim To Win Gets A Revamp, But Customers Are Not Thrilled," Huffington Post, February 19, 2020, https://www.huffingtonpost.ca/entry/tim-hortons-roll-up-the-rim-to-win_ca_5e4d400bc5b6b0f6bff26bf2; Kelly Marshall, "Tim Hortons Marketing Messaging: They're Back in the Top 10," Marketing Strategy, accessed May 2020 at https://profitworks.ca/small-business-sales-and-marketing-resources/blog/marketing-strategy/690-tim-hortons-marketing-messaging.html; Justin Dallaire, "A look at Tim Hortons' yearlong turnaround," *Strategy*, July 16, 2019, https://strategyonline.ca/2019/07/16/breaking-down-tim-hortons-yearlong-turnaround/; Shane McNeil, "Where did it go wrong?: A marketing expert's approach to Tim Hortons' sales slump," BNN Bloomberg, February 10, 2020, https://www.bnnbloomberg.ca/where-did-it-go-wrong-an-marketing-expert-s-approach-to-tim-hortons-sales-slump-1.1388093; Sylvian Charlebois, "Tim Hortons adds to its disastrous marketing decisions," *Toronto Sun*, February 26, 2020, https://torontosun.com/opinion/columnists/charlebois-tim-hortons-adds-to-its-disastrous-marketing-decisions; Tim Hortons Social Media - Instagram, Facebook; Emily Chung, "Nestlé, Tim Hortons named Canada's top plastic polluters again," CBC News, October 9, 2019, https://www.cbc.ca/news/technology/greenpeace-plastic-brand-audit-1.5314739; "National Sponsorships," Tim Hortons website, accessed May 2020 at http://company.timhortons.com/ca/en/corporate/national-sponsorship.php; Justin Dallaire, "Tim Hortons gets serious about Roll Up the Rim," *Strategy*, February 7, 2019, https://strategyonline.ca/2019/02/07/tim-hortons-gets-serious-about-roll-up-the-rim/.

5. Sarah De Meulenaer, Patrick De Pelsmacker, and Nathalie Dens, "Have No Fear: How Individuals Differing in Uncertainty Avoidance, Anxiety, and Chance Belief Process Health Risk Messages," *Journal of Advertising* 44, no. 2 (2015): 114–25; Ioni Lewis, Barry Watson, Richard Tay, and Katherine M. White, "The Role of Fear Appeals in Improving Driver Safety," *The International Journal of Behavioral Consultation and Therapy*, June 22, 2007: 203; Cornelia Pechmann, Guangzhi Zhao, Marvin E. Goldberg, and Ellen Thomas Reibling, "What to Convey in Antismoking Advertisements for Adolescents: The Use of Protection Motivation Theory to Identify Effective Message Themes," *Journal of Marketing*, April 2003: 1–18; John F. Tanner Jr., James B. Hunt, and David R. Eppright, "The Protection Motivation Model: A Normative Model of Fear Appeals," *Journal of Marketing*, July 1991: 36–45.

6. Ash Jurberg, "Is "Sex Sells" Still True?" https://bettermarketing.pub/is-sex-sells-still-true-35cd32dfc9db, July 28, 2022 (accessed April 25, 2023).

7. Rupal Parekh, "With Strong Work for Walmart and Geico, Martin Agency Is Creating a New Specialty: Making Marketers Recession-Proof," Advertising Age, January 19, 2009, p. 30; and Louis Llovio, "Geico Gecko's Viral Videos," Richmond Times Dispatch, March 28, 2009, p. B-9.

17. "Share of Search Queries Handled by Leading U.S. Search Engine Providers," *statista.com,* April 2017; Peter Pal Zubcsek, Zsolt Katona, and Miklos Sarvary, "Predicting Mobile Advertising Response Using Consumer Colocation Networks," *Journal of Marketing,* July 2017, pp. 109–26; Jan H. Schumann, Florian von Wangenheim, and Nicole Groene, "Targeted Online Advertising: Using Reciprocity Appeals to Increase Acceptance among Users of Free Web Services," *Journal of Marketing,* January 2014, pp. 59–75; "10 Ways to Improve the Banner Ad Design and Enhance the Click Through Rate," *Tech and Techie,* May 6, 2013; "'Banner Blindness' Now a Major Marketing Concern," *Bulldog Reporter's Daily Dog,* March 29, 2013; and Thales Teixeira, "The New Science of Viral Ads," *Harvard Business Review,* March 2012, pp. 25–27. The definition of mobile marketing is adapted from the Mobile Marketing Association definition, see *http://www.mmaglobal.com/news/mma-updates-definition-mobile-marketing,* November 17, 2009.

18. See "Guidelines, Standards & Best Practices," at the Interactive Advertising Bureau website, *http://www.iab.net/guidelines*; "IAB Releases New Standard Ad Unit Portfolio," press release, International Advertising Bureau, February 26, 2012; "Online Measurement," Nielsen website, *http://www.nielsen.com/us/en/nielsen-solutions/nielsen-measurement/nielsen-onlinemeasurement.html*; and Abbey Klaassen, "Why the Click Is the Wrong Metric for Online Ads," *Advertising Age,* February 23, 2009, p. 4.

22. Sehoon Park and Minhi Hahn, "Pulsing in a Discrete Model of Advertising Competition," *Journal of Marketing Research*, November 1991: 397–405.

23. Peggy Masterson, "The Wearout Phenomenon," *Marketing Research,* Fall 1999: 27–31; and Lawrence D. Gibson, "What Can One TV Exposure Do?" *Journal of Advertising Research,* March–April 1996: 9–18.

sources for newsflas

25. "Why Reese's Pieces and Not M&M's were Featured in the Movie 'E.T.'" accessed in May 2020 at www.tvovermind.com/reeses-pieces-not-mms-featured-movie-e-t/; "Here's How Netflix Makes Monster Money with Secret Ads," accessed in May 2020 at https://learnb onds.com/news/netflix-killing-secret-ads-shows/; Jonathon Shieber, "Virtual product placement is coming for TV and movies and

Ryff has raised cash to put it there," *Tech Crunch*, December 17, 2019, accessed May 2020 at https://techcrunch.com/2019/12/17/virtual-product-placement-is-coming-for-tv-and-movies-and-ryff-has-raised-cash-to-put-it-there/; "Netflix Is Ad Free, but It Isn't Brand Free," accessed in May 2020 at www.nytimes.com/2019/12/16/business/media/netflix-commercials.html; "Pop-Tarts Product Placement," accessed in May 2020 at https://productplacementblog.com/tag/pop-tarts/; Liam Moroney, "Pop-Tarts' Recipe for Success? A Constantly Evolving Content Marketing Strategy," accessed in May 2020 at https://insights.newscred.com/pop-tarts-content-marketing/.

39. Tuck Siong Chung, Michel Wedel, and Roland T. Rust, "Adaptive Personalization Using Social Networks," *Journal of the Academy of Marketing Science*, 2016: 66–87; Russell Newman, Victor Chang, Robert John Walters, and Gary Brian Wills, "Web 2.0—The Past and the Future," *International Journal of Information Management*, April 6, 2016; Guy Levy-Yurista, "Web 3.0 and Tomorrow's IoT: Human Identity Delivers the 'Internet of Me,'" http://insights.wired.com, December 16, 2015.

40. "Participative Web and User-Created Content: Web 2.0 and Social Networking," (Paris: Organisation for Economic Co-operation and Development, 2007); Jason Daley, "Tearing Down the Walls," *Entrepreneur*, December 2010, pp. 57–60.

41. Dhara Tuvar, "30+ User Generated Content Statistics You Need to Know [2023]," April 6, 2023 (accessed May 1, 2023).

42. Andreas M. Kaplan and Michael Haenlein, "Users of the World, Unite! The Challenges and Opportunities of Social Media," *Business Horizons 53*, no. 1 (2010), pp. 62–64.

43. Annual Report 2017, Microsoft: 25; "LinkedIn Fact Sheet," https://press.linkedin.com/content/dam/press/docs/linkedin-company-fact-sheet-12-08-16.pdf, May 17, 2017; Michael Sebastian, "LinkedIn Sells Nearly Half a Billion Dollars in Ads Last Year," www.adage.com, February 5, 2015; Hana Macready, "47 LinkedIn Statistics You Need To Know In 2023," Hootsuite, February 22, 2023 (accessed May 1, 2023).

25. "Doritos Scores on Social with TikTok Hashtag Challenge during Super Bowl [Blog post]," MediaKix, n.d., accessed September 2020 at https://mediakix.com/blog/tik-tok-hashtag-challenge-case-study/; Joss Davidge, "Doritos De-brands Ads to Engage with Generation Z [Blog post]," BecauseXM, April 9, 2019, https://www.becausexm.com/blog/doritos-de-brands-ads-to-

engage-with-generation-z; Aliza Polkes, "Why Doritos' Marketing Strategy Made Super Bowl History [Blog post]," Yotpo, February 3, 2020, https://www.yotpo.com/blog/how-doritos-wins-every-super-bowl-with-ugc/; Ann-Christine Diaz, "Doritos Drops Its Logo and Name in Latest Campaign," *AdAge*, August 26, 2019, https://adage.com/creativity/work/doritos-drops-its-logo-and-name-latest-campaign/2193506; Kyle O'Brien, "Doritos removes the name from its logo to appeal to Gen Z in 'Another Level' campaign," *The Drum*, August 26, 2019, https://www.thedrum.com/news/2019/08/26/doritos-removes-the-name-its-logo-appeal-gen-z-another-level-campaign; Robert Williams, "Doritos lets mobile fans create Super Bowl dance videos with AI app," *Mobile Marketer*, January 30, 2020, https://www.mobilemarketer.com/news/doritos-lets-mobile-fans-create-super-bowl-dance-videos-with-ai-app/571361/; Pamela Bump, "52 Gen Z Stats Marketers Need to Know in 2020 [Blog post]," HubSpot, February 3, 2020, https://blog.hubspot.com/marketing/gen-z-stats.

35. Olivia Bush, "Influencer Marketing Statistics In Canada," https://madeinca.ca/influencer-marketing-statistics-canada/. February 12, 2023 (accessed April 29, 2023).

57. "Mobile Operating System Market Share in Canada - May 2020," Statcounter Global Stats, accessed May 2020 at https://gs.statcounter.com/os-market-share/mobile/canada.

"Digital 2019 Canada", Hootsuite, accessed April 2020 at https://www.slideshare.net/DataReportal/digital-2019-canada-january-2019-v01

74. Petroc Taylor, "Number of mobile subscribers in Canada from 2010 to 2021," www.statista.com/statistics/460060/total-number-of-mobile-subscribers-canada/#:~:text=Number%20of%20mobile%2Fwireless%20subscribers%20Canada%202010%2D2021&text=In%202021%2C%20the%20number%20of,to%20approximately%2033.05%20million%20subscribers, January 18, 2023 (accessed May 1, 2023).

19. Jessica Wohl, "How Halo Top Is Conquering the Ice Cream Biz – Without Ads," *AdAge*, March 6, 2017, https://adage.com/article/print-edition/halo-top-conquering-ice-cream-biz-ads/308177.

20. Lauren Johnson, "Halo Top Ice Cream and FX Are the First Brands to Back Gay Dating App Grindr's New Digital Magazine," *AdWeek*, August 15, 2017, www.adweek.com/digital/halo-top-and-fx-are-the-first-brands-to-back-dating-app-grindrs-new-digital-magazine/.

1. Personal interview with Paul Shumlich, co-founder, Deepwater Farms, 2019; Food and Agriculture Organization of the United Nations, *The State of World Fisheries and Aquaculture: 2016*, accessed August 2020 at http://www.fao.org/3/a-i5555e.pdf; Oran B. Hesterman and Daniel Horan, "The demand for 'local' food is growing—here's why investors should pay attention," *Business Insider*, April 25, 2017, https://www.businessinsider.com/the-demand-for-local-food-is-growing-2017-4; Meticulous Market Research, "Aquaponics Market worth $1.4 billion by 2025- Exclusive Report by Meticulous Research [News release]," July 13, 2019, accessed August 2020 at https://www.globenewswire.com/news-release/2019/07/13/1882266/0/en/Aquaponics-Market-worth-1-4-billion-by-2025-Exclusive-Report-by-Meticulous-Research.html; Alberta Agriculture and Forestry, "Report on local food demand in the Calgary region," August 2015, accessed August 2020 at https://open.alberta.ca/publications/report-on-local-food-demand-in-the-calgary-region.

36. HT Tech, "Kim Kardashian's Instagram followers is huge..." https://tech.hindustantimes.com/tech/news/kim-kardashian-instagram-followers-count-is-huge-but-family-just-hit-the-1-billion-mark-71643295671738.html#:~:text=Kim%20Kardashian%20Instagram%20followers%20count%20is%20massive%2C%20but%20collectively%2C%20the,the%20fashion%20and%20lifestyle%20industry, August 21, 2022. (accessed April 29, 2022); Cyrus Nambakhsh, "25 Top Canadian Instagram Influencers to Collaborate With In 2023," https://blog.ainfluencer.com/canadian-influencers/, October 19, 2022, (accessed April 29, 2023).

5. Lee Berthiaume, "Feds offer $15.8B in new ships to Vancouver, Halifax while opening door to Davie," *National Post*, May 22, 2019, https://nationalpost.com/pmn/news-pmn/canada-news-pmn/feds-offer-15-8b-in-new-ships-to-vancouver-halifax-while-opening-door-to-davie;
Jane Seyd, "Seaspan to build 16 more Coast Guard ships says Trudeau," *North Shore News*, May 22, 2019, www.nsnews.com/news/seaspan-to-build-16-more-coast-guard-ships-says-trudeau-1.23830777; Katya Slepian, "16 Coast Guard ships to be built in $15.7B 'fleet renewal' plan in B.C.: Trudeau," *Saanich News*, May 22, 2019, www.saanichnews.com/news/16-coast-guard-ships-to-be-built-in-15-7b-fleet-renewal-plan-in-b-c-trudeau/.

15. C. Kelly, " Dove pushes for legislation to protect kids' self-esteem from social media," *Marketing Dive*, April 12, 2023, accessed at www.marketingdive.com/news/dove-self-esteem-project-campaign-kids-online-safety-legislation/647440/; J. Cream, "Spurred by new data, Dove renews its focus on social media," *Strategy Online,*

April 26, 2023, accessed at https://strategyonline.ca/2023/04/26/spurred-by-new-data-dove-renews-its-focus-on-social-media/?utm_source=newsletter&utm_medium=email&utm_campaign=spurred-by-new-data-dove-renews-its-focus-on-social-media&_u=g%2fXzro5G0Tc%3d; "The Real Cost of Beauty Ideals: The Stats," Dove, accessed at www.dove.com/us/en/stories/campaigns/real-cost-of-beauty/thestats.html.

24. "METRO donates $50 million worth of food in 2022" [News Release], Metro, January 17, 2023, accessed at https://corpo.metro.ca/en/media/newsroom/2023/metro-donates-50-million-worth-food-2022.html; "Giving Back: Metro outlines 2022 initiatives to support food insecurity," *Grocery Business*, January 17, 2023, accessed at www.grocerybusiness.ca/news/giving-back-metro-outlines-2022-initiatives-to-support-food-insecurity?_hsmi=242421445&_hsenc=p2ANqtz-_x1bmbR3JKbaodtlu2D_BIHwF_9esjzy17P2WZU_hF3MjPwtqTN5wU63pmwLTGJs5k6DDQ3_rHQkMSOp1xEaySzNMSHg&utm_source=pocket_reader; "METRO takes One More Bite to reduce hunger in Ontario," *Feed Ontario*, July 21, 2022, accessed at https://feedontario.ca/story/metro-takes-one-more-bite-to-reduce-hunger-in-ontario/.

11. "History of Home Hardware," Home Hardware website, n.d., accessed September 2020 at https://www.homehardware.ca/history-of-home-hardware; Justin Dallaire, "View from the C-Suite: Home Hardware sticks to its strengths," *Strategy*, May 14, 2019, http://strategyonline.ca/2019/05/14/view-from-the-c-suite-home-hardware-sticks-to-its-strengths/; Michael McLarney, "Home Hardware unveils hip, new marketing plan," Hardlines.ca, April 3, 2017, https://hardlines.ca/gp_dailynews/home-hardware-unveils-hip-new-marketing-plan/.

1. Personal interview with Andre Samuels, director of training, and Cory Snyder, director of sales and service, SeeWhy Learning, February 2020.

1. Personal interview with Cory Snyder, sales director; Jason Knell, academic director; and Andre Samuels, training director, See Why Learning, May 2023.

1. About us, https://hush.ca/pages/about-us, accessed Aug. 30, 2022.

2. "Do Weighted Blankets Work? What to know before you buy," Cleveland Clinic website, January 25, 2021, https://health.clevelandclinic.org/can-weighted-blankets-banish-nighttime-

anxiety/#:~:text=What%20are%20weighted%20blankets%3F,get%20a%20good%20night's%20sleep.

15. market.us, "Amazon Statistics and Facts," August 23, 2022, https://market.us/statistics/e-commerce-websites/amazon/ (accessed September 8, 2022).

Dragon's Den, "

3. *Dragons' Den*, "Hush Blankets," www.cbc.ca/dragonsden/m_pitches/hush-blankets (accessed September 8, 2022).

4. Hush Blankets, "Hush GiveBack," https://hush.ca/pages/hush-giveback-blanket-donation-program (accessed September 8, 2022).

5. Sheldon Koufman, interview with Lior Ohayon, co-founder of Hush Blankets, September 1, 2022.

6. Sheldon Koufman. Interview with Lior Ohayon, co-founder of Hush Blankets, Sept. 1, 2022.

7. Sheldon Koufman, interview with Lior Ohayon, co-founder of Hush Blankets, September 1, 2022.

8. *Montreal Times*, "Hush becomes the official weighted blanket of the Montreal Canadiéns," https://mtltimes.ca/life/hush-becomes-the-official-weighted-blanket-of-the-montreal-canadiens/ (accessed August 30, 2022).

9. Hush Blankets, www.hush.ca (accessed August 30, 2022).

10. Sheldon Koufman, interview with Lior Ohayon, co-founder of Hush Blankets, September 1, 2022.

* Movember, "Our Financials," https://ca.movember.com/about/money (accessed September 9, 2022).

29. Apple, "iPhone 13," www.apple.com/ca/iphone-13/specs/ (accessed September 9, 2022).

Benevity, " Benevity Surpasses $10 Billion in Global Donations, Adds 124 New Clients," August 23, 2022, https://benevity.com/press-releases/benevity-

surpasses-10-billion-global-donations (September 9, 2022).

b. Benevity, "Benevity Surpasses $10 Billion in Global Donations, Adds 124 New Clients," August 23, 2022, https://benevity.com/press-releases/benevity-surpasses-10-billion-global-donations (accessed September 9, 2022).

c. Benevity, "Benevity Surpasses $10 Billion in Global Donations, Adds 124 New Clients," August 23, 2022, https://benevity.com/press-releases/benevity-surpasses-10-billion-global-donations (accessed September 9, 2022).

33. Loblaw Companies Limited, "Loblaw to eliminate all single-use plastic shopping bags from its stores by early 2023," June 20, 2022, www.loblaw.ca/en/loblaw-to-eliminate-all-single-use-plastic-shopping-bags-from-its-stores-by-early-2023 (September 9, 2022).

34. Cision, "Loblaw Hits Carbon Emission and Food Waste Targets Well Ahead of Schedule" May 18, 2021, www.newswire.ca/news-releases/loblaw-hits-carbon-emission-and-food-waste-targets-well-ahead-of-schedule-860934381.html (accessed September 9, 2022).

35. Loblaw Company Limited, "Responsibility," n.d, www.loblaw.ca/en/responsibility (accessed September 9, 2022).

44. *Statista*, "Daily time spent with selected media among adults in Canada as of 3rd quarter 2021," June 27, 2022, www.statista.com/statistics/237478/daily-time-spent-with-media-among-adults-in-canada/#:~:text=As%20of%20the%20third%20quarter,using%20the%20internet%20in%20general (accessed September 9, 2022).

46. Jamie Grill-Goodman, "Starbucks' Active U.S. Loyalty Members Grow 48%," July 29, 2022, https://risnews.com/starbucks-active-us-loyalty-members-grow-48 (accessed September 9, 2022).

51. Michael Brenner, " 13 Amazing Examples of Brands on Social Media," March 31, 2022, https://marketinginsidergroup.com/social-media/13-amazing-examples-of-brands-on-social-media-in-2021/ (September 12, 2022).

40. truthinadvertising.org, "Companies Accused of Greenwashing," April 22, 2022, https://truthinadvertising.org/articles/six-companies-accused-greenwashing/ (accessed September 12, 2022).

41. *The National Law Review*, "Keurig Agrees to Pay $10 Million to Settle Class Action Over Charges of Misleading Recyclable Claims," March 2, 2022, https://truthinadvertising.org/articles/six-companies-accused-greenwashing/ (accessed September 12, 2022).

39. Ioannou et al., "How Greenwashing Affects the Bottom Line," *Harvard Business Review*, July 21, 2022, https://hbr.org/2022/07/how-greenwashing-affects-the-bottom-line (accessed September 12, 2022)**.**

38. European Union, "Screening of websites for 'greenwashing': Half of green claims lack evidence," January 21, 2021, https://icpen.org/news/1146 (accessed September 12, 2022).

11. SpaceX, "Falcon9," www.spacex.com/vehicles/falcon-9/ (September 15, 2022).

11. Elka Torpey, "Mystery Shopper," *Career Outlook,* February 2016, p. 1; and Jim Dudlicek, "Mystery Machine," *Progressive Grocer,* May 2015, p. 10.

10. "TV Ratings," Nielsen website, www.nielsen.com/us/en/solutions/measurement/television.html (accessed April 3, 2017); Miriam Gottfried, "Nielsen Isn't Leaving the Living Room Soon," *The Wall Street Journal,* January 20, 2015, p. C8; and Meg James, "Nielsen 'People Meter' Changed the TV Ratings Game 25 Years Ago," *Los Angeles Times,* August 31, 2012.

12. "How to Use Ethnography for In-Depth Consumer Insight," *Marketing Week,* May 22, 2014, p. 4; and Gavin Johnson and Melinda Rea-Holloway, "Ethnography: How to Know If It's Right for Your Study," *Alert! Magazine,* Marketing Research Association, 47, no. 2 (February 2009), pp. 1–4.

13. Kenneth Chang, "Enlisting Science's Lessons to Entice More Shoppers to Spend More," *The New York Times,* September 19, 2006, p. D3; and Janet Adamy, "Cooking Up Changes at Kraft Foods," *The Wall Street Journal,* February 20, 2007, p. B1.

15. Jack Neff, "Neuromarketing Exits the 'Hype Cycle,' Starts Shaping TV Commercials," *Advertising Age,* April 18, 2016, p. 17; and Ilan Brat, "The Emotional Quotient of Soup Shopping," *The Wall Street Journal,* February 17, 2010, p. B6.

14. Zach Brooke, "Marketing's Mind Readers," *Marketing News,* January, 2017, pp. 38–41; Kyle Hilton, "The Science of Sensory Marketing," *Harvard Business Review,* March 2015, pp. 28–29; Roger Dooley, "Nielsen Doubles Down on Neuro," *Forbes,* June 3, 2015; Aradhna Krishna, *Customer Sense* (New York: Palgrave Macmillan, 2013); Lluis Martinez-Ribes, "The Power of the Senses," www.martinez-ribes.com/the-power-ofthe-senses-sensory-applications-in-retail/, April 24, 2013; and Martin Lindstrom, *Buyology: Truth and Lies about Why We Buy* (New York: Doubleday, 2008), pp. 8–36.

16. For a more complete discussion of questionnaire methods, see Joseph F. Hair Jr., Mary Wolfinbarger, Robert P. Bush, and David J. Ortinau, *Essentials of Marketing Research,* 3rd ed. (New York: McGraw-Hill/Irwin, 2013), Chapters 4 and 8.

22. "What Is Online Research?" Marketing Research Association at http://www.marketingresearch.org/?q=node/221. See also *www.surveymonkey.com*.

X. Government of Canada, "List of Crown Corporations," https://www.canada.ca/en/treasury-board-secretariat/services/guidance-crown-corporations/list-crown-corporations.html (accessed September 8, 2022).

1. Government of Canada, "List of Crown Corporations," www.canada.ca/en/treasury-board-secretariat/services/guidance-crown-corporations/list-crown-corporations.html (accessed September 8, 2022).

2. CBC, "Mandate," https://cbc.radio-canada.ca/en/vision/mandate (accessed on October 26, 2022).

4. Statistics Canada, "Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians," www150.statcan.gc.ca/n1/daily-quotidien/221026/dq221026a-eng.htm. (accessed October 27, 2022). Statistics Canada, "Canada in 2041: A larger, more diverse population with greater differences between regions," www150.statcan.gc.ca/n1/daily-quotidien/220908/dq220908a-eng.htm. (accessed October 27, 2022).

5. Statistics Canada, "The Canadian census: A rich portrait of the country's religious and ethnocultural diversity," www150.statcan.gc.ca/n1/daily-quotidien/221026/dq221026b-eng.htm. (accessed on October 27, 2022).

6. Macrotrends, "Canada Consumer Spending 1961–2022," www.macrotrends.net/countries/CAN/canada/consumer-spending#:~:text=Here%2C%20household%20consumption%20expenditure%20includes,a%2015.47%25%20increase%20from%202020 (accessed on October 27, 2022).

7. CMCRP, " Growth and Upheaval in the Network Media Economy in Canada, 1984-2020," www.cmcrp.org/growth-and-upheaval-in-the-network-media-economy-in-canada-1984-2020/#summary (accessed on October 27, 2022).

X. Statista, " OTT Video - Canada," https://www.statista.com/outlook/amo/media/tv-video/ott-video/canada. (accessed on October 27, 2022).

8. ResearchCo, "Live TV and Streaming Services See Jump Among Canadians," https://researchco.ca/2021/03/12/canada-television-2021/#:~:text=55%20and%20over.-,Almost%20three%2Din%2Dfour%20Canadian%20TV%20watchers%20(73%25),series%20in%20the%20same%20sitting (accessed on October 27, 2022). Christian Nordqvist, "5 Trends That Have Changed TV Broadcasting for Good … and What's Likely to Come Next," https://marketbusinessnews.com/trends-that-have-changed-tv-broadcasting-for-good/305653/ (accessed on October 27, 2022).

11. Government of Canada, *Online Streaming Act*, www.canada.ca/en/canadian-heritage/services/modernization-broadcasting-act.html (accessed October 27, 2022).

12. CBC, "Your Stories, Taken to Heart, Our 2019–2024 Strategic Plan," https://strategies.cbcrc.ca/en (accessed October 31, 2022).

X. Statista, " Average time spent per day with major media in Canada from 2018 to 2024, by medium," https://www-statista-com.dproxy.library.dc-uoit.ca/statistics/431478/time-spent-media-canada-media/. (accessed on October 26, 2022).

X. CBC News, "Catherine Tait chosen as CBC/Radio-Canada president," https://www.cbc.ca/news/canada/cbc-president-catherine-tait-1.4602504. (accessed on October 31, 2022).

10. CBC, "Annual Report 2020-2021," https://site-cbc.radio-canada.ca/documents/impact-and-accountability/finances/2020-2021-annual-report.pdf (accessed October 27, 2022).

9. Statista, "Number of pay TV households in Canada from 2019 to 2023," www.statista.com/statistics/934454/canada-cable-satellite-tv-households/ (accessed on October 27, 2022).

13. CBC Media Centre, " Canada's Public Broadcaster Launches CBC Gem Streaming Service with More than 4,000 Hours of Live and On-Demand Programming Available for Free," https://www.cbc.ca/mediacentre/press-release/cbc-gem-streaming-service-launches-with-more-than-4000-hours-of-free-content. (Accessed October 31, 2022). CBC, "Mauril: New mobile app for learning English and French now available," https://cbc.radio-canada.ca/en/media-centre/mauril-new-mobile-app-for-learning-english-and-french. (accessed on October 31, 2022).

14. CBC, "ABC and CBC announce The Kindred ABC/CBC Animation Collaboration," https://cbc.radio-canada.ca/en/media-centre/abc-cbc-the-kindred-animation-collaboration (accessed October 31, 2022). CBC, "Curio: A user experience more personalized and modern than ever," https://cbc.radio-canada.ca/en/your-public-broadcaster/blog/curio-more-personalized-and-modern (accessed October 31, 2022).

15. CBC, " CBC News to expand local services with the addition of 14 journalism positions across Canada," https://cbc.radio-canada.ca/en/media-centre/cbc-news-to-expand-local-services (accessed October 31, 2022).

16. CBC, "Pathways: A new approach to developing diverse emerging journalists," https://cbc.radio-canada.ca/en/your-public-broadcaster/blog/pathways (accessed October 31, 2022); CBC, "The Village: Two podcasts, one collaboration," https://cbc.radio-canada.ca/en/your-public-broadcaster/blog/the-village-podcast-collaboration (accessed October 31, 2022).

17. CBC, "BBC and CBC/Radio-Canada announce joint commission of three new original podcasts," https://cbc.radio-canada.ca/en/media-centre/bbc-and-cbc-radio-canada-commission-three-new-original-podcasts (accessed October 31, 2022).

19. Oliver Moore, " What the 2021 census tells us about Canada’s changing population," www.theglobeandmail.com/canada/article-2021-census-canada-population-highlights/ (accessed November 7, 2022).

20. Statistics Canada, "Census Profile, 2021 Census of Population Profile table," www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&DGUIDList=2021A000011124&GENDERList=1,2,3&STATISTICList=1&HEADERList=0&SearchText=Canada (accessed November 7, 2022).

22. Statistics Canada, " Census in Brief: A generational portrait of Canada's aging population from the 2021 Census," file:///C:/Users/100685877/Downloads/98-200-x2021003-eng.pdf (accessed November 7, 2022).

29. Statistics Canada, "Canada tops G7 growth despite COVID," www150.statcan.gc.ca/n1/daily-quotidien/220209/dq220209a-eng.htm (accessed November 8, 2022); Statistics Canada, "Canada's large urban centres continue to grow and spread," www150.statcan.gc.ca/n1/daily-quotidien/220209/dq220209b-eng.htm (accessed November 8, 2022).

31. Statistics Canada, " Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians," https://www150.statcan.gc.ca/n1/daily-quotidien/221026/dq221026a-eng.htm. (accessed November 8, 2022).

30. Statistics Canada, " Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians," www150.statcan.gc.ca/n1/daily-quotidien/221026/dq221026a-eng.htm (accessed November 8, 2022); Government of Canada, "An Immigration Plan to Grow the Economy," www.canada.ca/en/immigration-refugees-citizenship/news/2022/11/an-immigration-plan-to-grow-the-economy.html (accessed November 8, 2022).

32. Gurpriya Seth, " Multicultural Marketing in Canadian Advertising," www.linkedin.com/pulse/multicultural-marketing-canadian-advertising-gurpriya-seth/ (accessed November 8, 2022).

a. Statistics Canada, "A sociodemographic profile of Ukrainian-Canadians," www150.statcan.gc.ca/n1/pub/36-28-0001/2022004/article/00003-eng.htm (accessed November 9, 2022); Government of Canada, "Ukraine immigration measures: Key figures," www.canada.ca/en/immigration-refugees-citizenship/services/immigrate-canada/ukraine-measures/key-figures.html (accessed November 9, 2022).

b. Statistics Canada, "A sociodemographic profile of Ukrainian-Canadians," www150.statcan.gc.ca/n1/pub/36-28-0001/2022004/article/00003-eng.htm (accessed November 9, 2022).

c. Andrew Evans, " Canada's Ukrainian Capital," www.nationalgeographic.com/travel/article/canadas-ukrainian-capital (accessed November 10, 2022); Ukrainian Cultural Heritage Village, "About," https://ukrainianvillage.ca/about (accessed November 10, 2022).

X. Worldometer, "World Population," https://www.worldometers.info. (accessed November 9, 2022).

33. Worldometer, "Total Population by Country 2022," https://worldpopulationreview.com/countries (accessed November 9, 2022).

35. Statista, "Internet usage in Canada—Statistics & Facts," www.statista.com/topics/4865/internet-usage-in-canada/#dossierKeyfigures (accessed November 9, 2022).

37. Online Business Canada, "2022 Report: Social Media Use in Canada (Statistics)," https://canadiansinternet.com/2022-report-social-media-use-in-canada-statistics/#:~:text=76.9%20percent%20of%20Canadians%20use,dropped%207%20percent%20from%202020 (accessed November 9, 2022).

38. Statista, "Average weekly time spent watching television in Canada from 2020 to 2021, by age group," www.statista.com/statistics/234311/weekly-time-spent-watching-tv-in-canada-by-age-group/ (accessed November 9, 2022); Insider Intelligence, "In Canada, less than 50% of households will subscribe to pay TV in 2022," www.insiderintelligence.com/content/canada-households-pay-tv-2022 (accessed November 9, 2022).

40. Statista, " Number of Netflix viewers in Canada from 2017 to 2025," www.statista-com.dproxy.library.dc-uoit.ca/statistics/324066/canada-netflix-subscribers/ (accessed November 9, 2022).

44. Statista, " Frequency of purchasing locally-made products at grocery stores in Canada in 2022," www-statista-com.dproxy.library.dc-uoit.ca/statistics/1302635/local-grocery-products-purchase-frequency-in-canada/ (accessed November 9, 2022).

45. Global Newswire, "Meal Replacement Market to Reach $22.18 Bn, Globally, by 2030 at 6.3% CAGR: The Brainy Insights," www.globenewswire.com/news-release/2022/06/08/2458848/0/en/Meal-Replacement-Market-to-Reach-22-18-Bn-Globally-by-2030-at-6-3-CAGR-The-Brainy-Insights.html (accessed November 9,

2022). Statista, "Ready-to-Eat Meals - Canada," www.statista.com/outlook/cmo/food/convenience-food/ready-to-eat-meals/canada#:~:text=Revenue%20in%20the%20Ready%2Dto,US%24122.40bn%20in%202022) (accessed on November 13, 2022).

53. B. Joseph, "Our Faces Are Replacing Alphanumeric Passwords. We Should All Be Worried," https://medium.com/swlh/our-faces-are-replacing-alphanumeric-passwords-and-we-should-all-be-worried-433608d0ccc5 (accessed November 11, 2022).

55. Statista, " Retail e-commerce revenue in Canada from 2017 to 2025," www.statista.com/statistics/289741/canada-retail-e-commerce-sales/ (accessed November 11, 2022); International Trade Administration, "eCommerce," www.trade.gov/country-commercial-guides/canada-ecommerce#:~:text=In%202022%2C%20there%20were%20over,in%20Canada%20continues%20to%20climb (accessed November 11, 2022).

58. Cision, " Canada's music marketplace hits more than 2 billion audio streams in one week," www.newswire.ca/news-releases/canada-s-music-marketplace-hits-more-than-2-billion-audio-streams-in-one-week-849988755.html. (accessed November 11, 2022). Statista, "Music Streaming - Canada," www.statista.com/outlook/dmo/digital-media/digital-music/music-streaming/canada#:~:text=Revenue%20in%20the%20Music%20Streaming,US%24300.30m%20by%202027 (accessed November 11, 2022).

59. Statista, "Number of digital video viewers in Canada from 2019 to 2025," www.statista.com/statistics/1302855/digital-video-viewers-canada (accessed November 11, 2022).

60. Statista, " Distribution of web traffic in Canada from 2015 to 2022, by device," www.statista.com/statistics/505773/canada-online-traffic-device-share/#:~:text=Canada%20distribution%20of%20online%20traffic%202015%2D2022%2C%20by%20device&text=In%20January%202022%2C%20it%20was,of%20web%20traffic%20in%20Canada (accessed November 11, 2022).

62. Statista, "Mobile payments by situation in Canada in 2022," www-statista-com.dproxy.library.dc-uoit.ca/forecasts/998603/mobile-payments-by-situation-in-canada (accessed November 11, 2022.)

d. CBC News, "Ukrainian-Canadian history documented one church at a time," www.cbc.ca/newsinteractives/features/documenting-ukrainian-canadian-churches-photography-Ottawa (accessed November 13, 2022).

e. *The Odessa Journal*, "The biggest tribute to Ukrainian food is in Canada: a giant vareniki!" https://odessa-journal.com/the-biggest-tribute-to-ukrainian-food-is-in-canada (accessed November 13, 2022).

3. Statista, "Average weekly time spent watching television in Canada from 2020 to 2021, by age group," www.statista.com/statistics/234311/weekly-time-spent-watching-tv-in-canada-by-age-group/ (accessed November 21, 2023).

1. Dan Caffrey, "Best Canadian Mattresses of 2022," www.mattressclarity.com/reviews/best-mattress-canada/ (accessed January 2, 2023).

X. Dragon's Den, "Endy Sleep," https://www.cbc.ca/dragonsden/m_pitches/endy-sleep. (accessed on January 2, 2023).

3. Endy, "How it all Started," https://ca.endy.com/pages/about?_gl=1*sulmpr*_gcl_aw*R0NMLjE2NzI2NzQ0NzcuQ2owS0NRaUFuc3FkQmhDR0FSSXNBQXlqWWpSTVBrUWpLTXVLOUo3enNpYkVWekhCT29lQmFJdTBjN283Y1ZWYnZaU21vUzN6dldOWTJpSWFBaHBfRUFMd193Y0I.*local_ga*OTA0MjI2MTk5LjE2NzI1MDU5NDU.*local_ga_0REYEP63TJ*MTY3MjY3NjYyNi4zLjEuMTY3MjY3NjY0OC4zOC4wLjA.&_ga=2.257165387.1743157727.1672674478-904226199.1672505945&_gac=1.156602569.1672674480.Cj0KCQiAnsqdBhCGARIsAAyjYjRMPkQjKMuK9J7zsibEVzHBOoeBaIu0c7o7cVVbvZSmoS3zvWNY2iIaAhp_EALw_wcB. (accessed January 2, 2023).

4.*Dragons' Den*, "Endy Sleep," www.cbc.ca/dragonsden/m_pitches/endy-sleep (accessed January 2, 2023).

5.*Financial Post,* "Sleep Country buys Endy for $88.7 million, but the two will operate separately," https://financialpost.com/pmn/business-pmn/sleep-country-buys-endy-for-88-7-million-but-the-two-will-operate-separately (accessed January 6, 2023).

6. "Endy," www.endy.com/ (accessed January 6, 2023).

7. Facebook, "Endy," www.facebook.com/endy/ (accessed January 6, 2023); Instagram, "Endy," www.instagram.com/endy/?hl=en (accessed January 6, 2023); Twitter, "Endy," https://twitter.com/endymade (accessed January 6, 2023); TikTok, "Endy," www.tiktok.com/@endy?lang=en (accessed January 6, 2023).

2. Canada's Podcast, "Mike Gettis Co-Founder and CEO of Endy Discusses The Growth of the Company and Offerings," www.youtube.com/watch?v=qXzvvlx6Zio

(accessed January 2, 2023).

a. JohnsByrne, "Packaging Matters: 3 Purchasing Behavior Statistics Everyone Should Care About," www.johnsbyrne.com/blog/packaging-matters-3-purchasing-behavior-statistics/ (accessed January 10, 2023).

b. Statista, "Share of consumers in Canada that shop for items with sustainable packaging during the holiday season in 2021, by method," www.statista.com/statistics/1074117/holiday-spending-on-sustainable-products-canada/ (accessed January 10, 2023); Nestlé Canada, "Sustainable Packaging at Nestlé Canada," www.corporate.nestle.ca/en/creatingsharedvalue/environment/packaging (accessed January 2023); Kelsie Rimmer, "Product Packaging Design Trends for 2022: from Sustainable Packaging to Personalization," www.envato.com/blog/product-packaging-design-trends/#:~:text=While%20the%20last%20couple%20of,%2C%20and%20organic%2C%20handcrafted%20design (accessed January 20, 2023).

c. Nestlé Canada, "Sustainable Packaging at Nestlé Canada," www.corporate.nestle.ca/en/creatingsharedvalue/environment/packaging (accessed January 10, 2023).

12. Ipsos, "The Most Influential Brands in Canada, 2021," www.ipsos.com/en-ca/knowledge/consumer-shopper/The-Most-Influential-Brands-in-Canada-2021 (accessed January 11, 2023).

d. Statista, "Number of monthly active Facebook users worldwide as of 3rd quarter 2022," www-statista-com.dproxy.library.dc-uoit.ca/statistics/264810/number-of-monthly-active-facebook-users-worldwide/ (accessed January 17, 2023); Statista, "Number of Twitter users worldwide from 2019 to 2024," www-statista-com.dproxy.library.dc-uoit.ca/statistics/303681/twitter-users-worldwide/ (accessed January 17, 2023); Verisign, "The Domain Name Industry Brief," www.verisign.com/en_US/domain-names/dnib/index.xhtml?section=executive-summary (accessed January 17, 2023).

e.*Fortunly*, "The Most Expensive Domain Names Ever Sold," https://fortunly.com/articles/the-most-expensive-domain-names-ever-sold (accessed January 17, 2023).

13.*Business Insider*, "The Best Advice Airbnb CEO Brian Chesky Ever Received," www.businessinsider.com/the-best-advice-airbnb-ceo-brian-chesky-ever-received-2013-1#:~:text=When%20Airbnb%20was%20going%20through,go%20viral%2C%20Graham%20told%20him (accessed January 17, 2023).

1. Canada's Podcast, "The Importance of Embracing a Non-Linear Path to Success with Sahar Saidi," https://www.youtube.com/watch?v=RsjWQsfNiJI. (accessed January 24, 2023).

2.*Women of Influence*, "How Sahar Saidi built LUS Brands into an eight-figure business in under 5 years," www.womenofinfluence.ca/2021/03/16/how-sahar-saidi-built-lus-brands-into-an-eight-figure-business-in-under-5-years/ (accessed January 24, 2023).

3.*Women of Influence*, "How Sahar Saidi built LUS Brands into an eight-figure business in under 5 years," www.womenofinfluence.ca/2021/03/16/how-sahar-saidi-built-lus-brands-into-an-eight-figure-business-in-under-5-years/ (accessed January 24, 2023).

4.*Women of Influence*, "How Sahar Saidi built LUS Brands into an eight-figure business in under 5 years," www.womenofinfluence.ca/2021/03/16/how-sahar-saidi-built-lus-brands-into-an-eight-figure-business-in-under-5-years/ (accessed January 24, 2023).

5. Canada's Podcast, "The Importance of Embracing a Non-Linear Path to Success with Sahar Saidi," www.youtube.com/watch?v=RsjWQsfNiJI (accessed January 24, 2023).

6. LUS Brands, "Shop," https://ca.lusbrands.com/collections/accessories (accessed January 24, 2023).

7.*BNN Bloomberg*, "Canada's Top 40 Under 40: The next leaders for 2020," www.bnnbloomberg.ca/canada-s-top-40-under-40-the-next-leaders-for-2020-1.1513685 (accessed January 24, 2023); *Women of Influence*, "Meet Sahar Saidi, Founder and CEO of LUS Brands and the 2020 RBC Canadian Women Entrepreneur Awards Start-Up Recipient," www.womenofinfluence.ca/2020/10/07/meet-sahar-saidi-founder-and-ceo-of-lus-brands-and-2020-rbc-canadian-women-entrepreneur-awards-start-up-finalist/ (accessed January 24, 2023).

8. Business of Apps, "App Store Data (2023)," www.businessofapps.com/data/app-stores/. (accessed January 24, 2023).

10. Tesla, "Model S," www.tesla.com/en_ca/models (accessed January 25, 2023); Kia, "2023 Kia Niro EV," www.kia.ca/en/vehicles/2023/niro/ev?gclid=Cj0KCQiAw8OeBhCeARIsAGxWtUxB5vkeHdrzP5oQO7NAGOrtrpTUViiETIKiBVis0GfiPzevRbEUzEYaAsb-EALw_wcB&gclsrc=aw.ds&gclid=Cj0KCQiAw8OeBhCeARIsAGxWtUxB5vkeHdrzP5oQO7NAGOrtrpTUViiETIKiBVis0GfiPzevRbEUzEYaAsb-EALw_wcB&gclsrc=aw.ds (accessed January 25, 2023).

13.*Fast Company*, "As gender norms shift, 'women's brands' are going after a new demo: men," www.fastcompany.com/90424952/as-gender-norms-shift-womens-brands-are-going-after-a-new-demo-men (accessed January 25, 2023).

15. Marx, "Rebranding - Know What, When, And How To Do It In 2022," https://marxcommunications.com/rebranding/ (accessed January 25, 2023); MarketVeep, "Rebranding - Know What, When, And How To Do It In 2022, https://blog.marketveep.com/examples-of-brand-repositioning-renewed-company-growth (accessed January 25, 2023).

16. PWC, "What Canadian consumers want: a retailer's guide to deciphering shoppers' shifting habits," www.pwc.com/ca/en/industries/consumer-markets/consumer-insights-2022-june.html (accessed January 25, 2023); *Grocery Business,* "70% of Canadians say they like to try new products: Survey," www.grocerybusiness.ca/news/70-of-canadians-say-they-like-to-try-new-products-survey (accessed January 25, 2023).

17. Grocery Business, "2022 Best New Product Awards announced: BrandSpark," www.grocerybusiness.ca/news/2022-best-new-product-awards-reveal-better-for-you-foods-are-top-of-mind (accessed January 25, 2023).

a. *Stripe*, "A fully integrated suite of payments products," https://stripe.com/en-ca (accessed January 26, 2023); *Fast Company*, "Stripe is paying companies to pull carbon out of the atmosphere. What's your company doing to fight climate change?" www.fastcompany.com/90719976/stripe-climate-innovative-carbon-removal (accessed January 25, 2023).

b.*Stripe*, "About Stripe," https://stripe.com/en-ca/newsroom/information (accessed January 26, 2023).

c.*The Atlantic*, "We've Never Seen a Carbon-Removal Plan Like This Before," www.theatlantic.com/science/archive/2022/04/big-tech-investment-carbon-removal/629545/ (accessed January 26, 2023).

20.*Forbes*, "The Top 10 Tech Trends In 2023 Everyone Must Be Ready For," www.forbes.com/sites/bernardmarr/2022/11/21/the-top-10-tech-trends-in-2023-everyone-must-be-ready-for/?sh=7d19eea27df0 (accessed January 25, 2023).

1. Canadian Tire Corporation website, "Who Are We" https://corp.canadiantire.ca/English/about-us/default.aspx

2. Canadian Tire Environmental Social and Governance Report Summary 2021, https://corp.canadiantire.ca/English/Environmental-Social-Governance/default.aspx.

3. CTC Investor Day Presentation March 10, 2022, https://s201.q4cdn.com/326551073/files/doc_presentations/en/2022/CTC_InvestorDay_MASTER_FINAL-4.pdf

6. Susan O'Brian, "CT Marketing capabilities powered by Triangle presentation," Investor Day Presentation March 10, 2022 https://s201.q4cdn.com/326551073/files/doc_presentations/en/2022/CTC_InvestorDay_MASTER_FINAL-4.pdf.

7. T.J. Flood, President of Canadian Tire Retail, "CT Marketing capabilities powered by Triangle presentation," Investor Day Presentation, March 10, 2022, https://s201.q4cdn.com/326551073/files/doc_presentations/en/2022/CTC_InvestorDay_MASTER_FINAL-4.pdf.

17. Matthew Silver, "How Subway Canada Is Building Back Consumer Trust" February 21, 2023, *Canadian Business* www.canadianbusiness.com/strategies/subway-canada-eat-fresh-refresh/.

18. See www.trendhunter.com/about-trend-hunter.

20. For more discussion on wording questions effectively, see Gilbert A. Churchill Jr., Tom J. Brown, and Tracy A. Suter, *Basic Marketing Research*, 7th ed. (Mason, OH: South-Western, Cengage Learning, 2010), pp. 289–307.

21. Stephanie Clifford, "Social Media Act as a Guide for Marketers," *New York Times*, July 31, 2012, pp. A1, A3; and Noam Cohen, "The Breakfast Meeting:

Social Media as Focus Group," *New York Times*, July 31, 2012, p. A3.

24. Gordon Wyner, "The Uncertain Future of Market Research," *Marketing News*, June 2017, pp. 18–19; Douglas D. Bates, "The Future of Qualitative Research Is Online," *Alert! Magazine*, Marketing Research Association 47, no. 2 (February 2009); Jack Neff, "The End of Consumer Surveys?" *Advertising Age*, September 15, 2008; Jack Neff, "Marketing Execs: Researchers Could Use a Softer Touch," *Advertising Age*, January 27, 2009; Bruce Mendelsohn, "Social Networking: Interactive Marketing Lets Researchers Reach Consumers Where They Are," *Alert! Magazine*, Marketing Research Association 46, no. 4 (April 2008); Toby, "Social Media Research: Interview with Joel Rubinson of ARF: Part 1," *Diva Marketing Blog*, February 16, 2009; and Toby, "Social Media Research: Interview with Joel Rubinson of ARF: Part 2," *Diva Marketing Blog*, February 23, 2009.

25. Lindsay Kolowich Cox, "How to Do A/B Testing: 15 Steps for the Perfect Split Test" March 3, 2022, *Hubspot Blog*, https://blog.hubspot.com/marketing/how-to-do-a-b-testing.

33. Rangoli, "All You Need to Know about Digital Marketing Revolution and Metaverse" *Analytics Insight*, February 16, 2023 www.analyticsinsight.net/all-you-need-to-know-about-digital-marketing-revolution-and-metaverse/.

34. Granth Vanaik, "Canada Goose cuts forecasts after spike in China's COVID infections hit sales," February 2, 2023, Reuters www.reuters.com/business/canada-goose-cuts-annual-revenue-forecast-2023-02-02/.

X. KraftHeinz, "Company Profile," https://ir.kraftheinzcompany.com/company-profile, (accessed: March 28, 2023.)

X. Kraft Canada, "About Kraft Heinz Canada," https://www.kraftcanada.ca/about-us-kraft. (accessed March 28, 2022).

1. Marketing Awards, "Best of Show," https://marketingawards.strategyonline.ca/winners/winner/2022/?e=133423&u=Advertising&n=Heinz+Hot+Dog+Pact (accessed March 29, 2023).

X. Heinz Ketchup Canada, "Heinz Hot Dog Pact," www.youtube.com/watch?v=OMo6prUBqfU (accessed March 29, 2023); Marketing Awards, "Best of Show," https://marketingawards.strategyonline.ca/winners/winner/2022/?e=133423&u=Advertising&n=Heinz+Hot+Dog+Pact (accessed March 29, 2023).

[3.] Rethink Ideas, "Heinz Hot Dog Pact," https://rethinkideas.com/work/heinz-ketchup/2022/digital-social/heinz-hot-dog-pact/ (accessed March 29, 2023).

[4.] Marketing Awards, "Bests in Show," https://marketingawards.strategyonline.ca/winners/winner/2022/?e=133423&u=Advertising&n=Heinz+Hot+Dog+Pact (accessed March 29, 2023).

11. Statista, "Leading social media websites in Canada in December 2022, based on share of visits," www.statista.com/statistics/247737/top-social-media-sites-visit-share-canada/ (accessed April 5, 2023).

X. Maureen Morrison, "Cossette, "https://www.commarts.com/features/cossette#:~:text=Cossette%20was%20founded%20in%20Qu%C3%A9bec,Communications%2C%20Renault%20and%20Tourisme%20Qu%C3%A9bec. (accessed April 7, 2023).

Owler, "Cossette," https://www.owler.com/company/cossette. (accessed April 7, 2023).

15. Maureen Morrison, "Cossette," www.commarts.com/features/cossette#:~:text=Cossette%20was%20founded%20in%20Qu%C3%A9bec,Communications%2C%20Renault%20and%20Tourisme%20Qu%C3%A9bec (accessed April 7, 2023).

16. Owler, "Cossette," www.owler.com/company/cossette (accessed April 7, 2023).

a. Statista, "Number of monthly active Facebook users worldwide as of 4th quarter 2022," www.statista.com/statistics/264810/number-of-monthly-active-facebook-users-worldwide/#:~:text=How%20many%20users%20does%20Facebook,used%20online%20social%20network%20worldwide, February 13, 2023 (accessed April 8, 2023).

b. Elizabeth Dwoskin, "Twitter reverses long-standing ban on political advertising," www.washingtonpost.com/technology/2023/01/03/twitter-political-ads-ban-reversal/, January 3, 2023 (accessed April 8, 2023).

c. Amy Watson, "Leading social networks used weekly for news in Canada from 2019 to 2022," July 7, 2022 (accessed April 8, 2023).

1. Interview with Mathew Stone, Stone-Olafson, mathew@stone-olafson.com; "Calgary Stampede - Pro Rodeo Hall of Fame," Pro Rodeo Hall of Fame, archived from the original on 2017-04-12; Calgary Stampede website, www.calgarystampede.com/ (accessed April 2023); Stone-Olafson, "Calgary Stampede 2014 Audience Segmentation Research Outcomes," May 2014; Calgary Stampede 2022 Report to the Community, https://corporate.calgarystampede.com/2022report/index.html?page=1 (accessed April 2023); Calgary Stampede Strategic Plan 2020–2025, http://admin-corporate.calgarystampede.com/CS-2020-25-Strat-Plan/?page=1 (accessed April 2023).

1. Tristan Wheeler, "An Ex-McDonald's Canada Employee Revealed His Top Food Hacks & You'll Want To Try Them All," *Narcity*, www.narcity.com/ex-mcdonalds-canada-employee-revealed-his-top-food-hacks, August 26, 2022 (accessed April 24, 2023).

2. CTV News, "Toronto chef spent 2 years on McDonald's new Chicken Big Mac," https://www.ctvnews.ca/video?clipId=2639564. (accessed April 24, 2023).

3. Christopher Lombardo, "McDonald's celebrates the Chicken Big Mac hackers," https://strategyonline.ca/2023/03/24/mcdonalds-celebrates-people-who-hacked-a-chicken-big-mac/, Strategy Magazine Online, March 24, 2023 (accessed April 24, 2023).

a. Brian Levine, *BNN Bloomberg*, "The culture of positivity and inclusivity specific to pickleball has caused the sport to skyrocket", accessed April 2023 at www.bnnbloomberg.ca/video/the-culture-of-positivity-and-inclusivity-specific-to-pickleball-has-caused-the-sport-to-skyrocket~2662942; Eric Barton, "Meet the pickleball champion who knew the sport was cool before Lebron James and Tom Brady did: Canadian pro Catherine Parenteau's career is on the upswing as the sport attracts one million Canadians and counting," *Globe and Mail*, October 13, 2022, accessed April 2023 from Proquest at www.proquest.com/canadiannews/printviewfile?accountid=1343; www.theglobeandmail.com/life/article-article-pickleball-sport-lebron-brady/; Rohit Bhisey, "Prospects of Pickleball Equipment Market Continue to be Optimistic, Growth Remains Consolidated in North America & Europe" [news release], Fact.MR, June 6, 2018, accessed April 2020 at www.globenewswire.com/news-release/2018/06/06/1517453/0/en/Prospects-of-

Pickleball-Equipment-Market-Continue-to-be-Optimistic-Growth-Remains-Consolidated-in-North-America-Europe.html; Amanda Loudin, "Pickleball: The fastest growing sport you've never heard of," April 21, 2019, *NBC News*, accessed April 2020 at www.nbcnews.com/better/lifestyle/pickleball-fastest-growing-sport-you-ve-never-heard-ncna992106; Amanda Kolson Hurley, "Why Your Grandma Loves Pickleball," October 26, 2015, Bloomberg CityLab, accessed April 2020 at www.bloomberg.com/news/articles/2015-10-26/why-your-grandma-and-other-seniors-love-pickleball; "About Us," PickleBallDepot.ca, accessed April 2020 at www.pickleballdepot.ca/pages/about-us.

b. Rob Carrick, "Qtrade Direct Investing ranks #1 in 2022 Globe and Mail digital broker ranking, QTrade, 2022 accessed April 2023 at www.qtrade.ca/en/investor/about/news/2022-globe-mail-digital-broker-ranking.html; Chris Powell, "Questrade's mission to help Canadians dream the impossible" *The Message*, January 4, 2023 accessed April 2023 at https://the-message.ca/2023/01/04/questrades-mission-to-help-canadians-dream-the-impossible/; Josh Neufeldt, "Why Questrade Encouraged Canadians to Dream the Impossible Dream," *Little Black Book*, January 23, 2023, accessed in April 2023 at www.lbbonline.com/news/why-questrade-encouraged-canadians-to-dream-the-impossible-dream. Brenda Bouw, "Powerful Questrade ads putting advisors on the hot seat," *Globe and Mail*, August 12, 2019, www.theglobeandmail.com/investing/globe-advisor/advisor-news/article-powerful-questrade-ads-putting-advisors-on-the-hot-seat/; Jordann Brown, "Best Online Brokerage Accounts in Canada for 2020" [Blog post], *Young and Thrifty*, April 9, 2020, https://youngandthrifty.ca/the-ultimate-guide-to-canadas-discount-brokerages/; "Questrade profile," Ivey/Scotiabank Digital Banking Lab, September 24, 2018, accessed April 2020 at www.ivey.uwo.ca/cmsmedia/3783799/questrade-profile.pdf.

7. Shawn Micallef, "Inside the marketing brilliance of No Name," *CPA Canada*, www.cpacanada.ca/en/news/pivot-magazine/2020-02-25-no-name-ad-campaign, February 25, 2020 (accessed April 25, 2023).

8. Valentina Dencheva, "Media advertising revenue in Canada from 2012 to 2023, by medium," Statista, January 5, 2023 (accessed April 25, 2023).

11.*News Media Canada*, https://nmc-mic.ca/about-newspapers/circulation/daily-newspapers (accessed April 25, 2023).

12. Adjust, "What is programmatic media buying?" www.adjust.com/glossary/programmatic-media-buying/ (accessed April 26, 2023);

Adam Hayes, "What Is Banner Advertising? Definition and How It Works," *Investopedia*, www.investopedia.com/terms/b/banneradvertising.asp. October 30, 2022 (accessed April 26, 2023).

24. Will Kenton, "Mobile Advertising Definition, Types, Examples," www.investopedia.com/terms/m/mobile-advertising.asp, January 28, 2023 (accessed April 26, 2023).

13. Hootsuite, "Social Media Advertising 101: How to Get the Most Out of Your Ad Budget," https://blog.hootsuite.com/social-media-advertising/#What_is_social_media_advertising. December 8, 2022. (accessed April 26, 2023).

14. Mail Chimp, "Email Marketing," https://mailchimp.com/marketing-glossary/email-marketing/ (accessed April 26, 2023); Salesforce, "What is Email Marketing and How does it Work? Here's Everything You Need to Know," March 22, 2022 (accessed April 23, 2023).

15. Deloitte, "Canada's Anti-Spam Law (CASL) FAQ," www2.deloitte.com/ca/en/pages/risk/articles/canada-anti-spam-law-casl-faq.html (accessed April 23, 2023).

a. Hannah Weiss, "Top Product Placements in 2022 Netflix Shows," https://blog.hollywoodbranded.com/top-product-placements-in-2022-netflix-shows, December 28, 2022 (accessed April 27, 2023); Jorge Vergara, "Product Placement on Netflix: 5 Examples," www.cyberclick.net/numericalblogen/product-placement-on-netflix-4-examples, April 28, 2022 (accessed April 27, 2023).

28. Federica Larrichhia, "Bluetooth device shipments worldwide from 2015 to 2026," Statista, March 31, 2022 (accessed April 27, 2023).

32. Michael Plummer, "Three Reasons Mailers Aren't Dead In 2022," *Forbes,* July 14, 2022 (accessed April 27, 2023).

33. MLS, "Vancouver Whitecaps FC announce TELUS as new front-of-jersey sponsor," www.mlssoccer.com/news/vancouver-whitecaps-fc-announce-telus-as-new-front-of-jersey-sponsor, February 16, 2023 (accessed April 23, 2023).

34. TurboTax Canada, "#TurboTaxTime Sweepstakes," https://turbotax.intuit.ca/tips/turbotaxtime-sweepstakes-15857, April 14, 2023 (accessed April 29, 2023).

44. Si Quan Ong, "7 Successful B2B Content Marketing Examples You Can Learn From," ahrefs blog. https://ahrefs.com/blog/b2b-content-marketing-examples/, December 15, 2022 (accessed May 1, 2023).

b. Jackson Weaver, "Spotify Wrapped is a social media sensation. Its impact on artists and listeners is debatable," www.cbc.ca/news/entertainment/spotify-wrapped-1.6673081, December 3, 2022 (accessed May 1, 2023); TJ Kiely, "10 of the Top Social Media Campaigns of 2022," *Meltwater*, www.meltwater.com/en/blog/top-social-media-campaigns, October 13, 2022 (accessed May 1, 2023).

X. S. Dixon, "Number of Instagram users worldwide from 2020 to 2025," https://www.statista.com/statistics/183585/instagram-number-of-global-users/#:~:text=In%202021%2C%20there%20were%201.21,percent%20of%20global%20internet%20users. February 15, 2023. (accessed May 1, 2023).

65. S Dixon, "Number of Instagram users worldwide from 2020 to 2025," www.statista.com/statistics/183585/instagram-number-of-global-users/#:~:text=In%202021%2C%20there%20were%201.21,percent%20of%20global%20internet%20users, February 15, 2023 (accessed May 1, 2023).

73. Alexander Kunst, "Do you personally use wearables (e.g. smart watch, health/fitness tracker)?" www.statista.com/forecasts/1101110/wearables-devices-usage-in-selected-countries, March 31, 2023 (accessed May 1, 2023).

75. Jamie Juviler, "19 Stats that Make the Case for Mobile Optimization on Your Website," https://blog.hubspot.com/website/mobile-optimization-stats, July 12, 2022 (accessed May 1, 2023).

X. Buildfire, "Mobile App Download Statistics & Usage Statistics (2023)," https://buildfire.com/app-statistics/#:~:text=The%20Apple%20App%20Store%20has,on%20the%20Google%20Play%20Store. (accessed May 1, 2023).

77. Buildfire, " Mobile App Download Statistics & Usage Statistics (2023)," https://buildfire.com/app-statistics/#:~:text=The%20Apple%20App%20Store%20has,on%20the%20Google%20Play%20Store (accessed May 1, 2023); Alexander Kunst, "Most used

smartphone apps by type in Canada in 2022," www.statista.com/forecasts/998495/most-used-smartphone-apps-by-type-in-canada. March 23, 2023 (accessed May 1, 2023).

64. "Contact the Choose Love Team" Choose Love, https://choose.love/pages/contact-us (accessed January 21, 2020).

52. Karlanne Gomez, Tiffany Mawhinney, and Kimberly Betts, "Welcome to Generation Z, " Deloitte: Network of Executive Women, www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/welcome-to-gen-z.pdf (accessed February 19, 2020).

26. "About LinkedIn," LinkedIn website, n.d., accessed May 1, 2023 at https://about.linkedin.com/.

27. Salman Aslam, "LinkedIn by the Numbers: Stats, Demographics and Fun Facts," Omnicore, last updated Feb 10, 2020, www.omnicoreagency.com/linkedin-statistics/.

28. Salman Aslam, "LinkedIn by the Numbers: Stats, Demographics and Fun Facts," Omnicore, last updated Feb 10, 2020, www.omnicoreagency.com/linkedin-statistics/.

29. Salman Aslam, "LinkedIn by the Numbers: Stats, Demographics and Fun Facts," Omnicore, last updated Feb 10, 2020, www.omnicoreagency.com/linkedin-statistics/.

30. Salman Aslam, "LinkedIn by the Numbers: Stats, Demographics and Fun Facts," Omnicore, last updated Feb 10, 2020, www.omnicoreagency.com/linkedin-statistics/.

31. John Nemo, "How to make Your LinkedIn Profile 20x More appealing, According to Science," *Inc.*, January 4, 2017, www.inc.com/john-nemo/how-to-make-your-linkedin-profile-20x-more-appealing-according-to-science.html.

X. Prepped, "Questions for Employers," RBC Ventures, accessed May 28, 2020, https://www.fullpreppred.ca/blog.

* Note: Department stores and other general merchandise suppressed to meet confidentiality requirements of the *Statistics Act.*

* Movember, "Our Financials," https://ca.movember.com/about/money (accessed September 9, 2022).

36. Toby Heaps, "Canada's Best 50 corporate citizens of 2022 continue to conquer the markets," June 29, 2022, www.corporateknights.com/rankings/best-50-rankings/2022-best-50-rankings/canadas-best-50-corporate-citizens-of-2022-continue-to-conquer-the-markets/ (accessed July 13, 2023).

a. Movember, https://ca.movember.com/about/money.

a. "How Social Media Data Mining Could Shape the Products of Tomorrow," www.phys.org, February 15, 2017; Joni R. Jackson, "Big Data: Goldmine or Minefield," AMA Winter Conference Proceedings*,* 2016, p. 41; Joel Stein, "Your Data, Yourself," *Time*, March 21, 2011, pp. 39–46; Ryan Flinn, "The Big Business of Sifting through Social Media Data," *Bloomberg Businessweek,* October 25–October 31, 2010, pp. 20–22; and Michael Lev-Ram, "The Hot New Gig in Tech," *Fortune,* September 5, 2011, p. 29.

*April Montgomery and Ken Mingis, "The evolution of Apple's iPhone," *Computerworld*, September 10, 2019, accessed April 2020 at www.computerworld.com/article/2604020/the-evolution-of-apples-iphone.html#slide15; "How Apple's iPhone has evolved since launch," *USA Today*, March 21, 2016, www.usatoday.com/story/tech/news/2016/03/21/how-apples-iphone-has-evolved-since-launch/82071340/; "Compare iPhone models," Apple website, accessed April 2020 at www.apple.com/ca/iphone/compare/; "Compare [Apple iPhones]," GSM Arena website, accessed July 2016 at www.gsmarena.com/compare.php3?idPhone1=4910&sSearch2=iphone+5s&idPhone2=5685&idPhone3=5690; Matt Rosoff, "The end of iPhone's amazing eight-year run," *Business Insider*, April 25, 2016, www.businessinsider.com/apple-iphone-sales-by-year-2016-4; Scott Stein, "Jet-black Apple iPhone 7 is here," *CNET*, September 7, 2016, www.cnet.com/products/apple-iphone-7/preview/; *Insider,* "Apple usually launches new iPhones in September, but that didn't happen this year — here's when the 2020 iPhones were released," www.businessinsider.com/guides/tech/iphone-release-date-launch (accessed January 24, 2023); Apple, "Apple unveils iPhone 13 Pro and iPhone 13 Pro Max — more pro than ever before," www.apple.com/ca/newsroom/2021/09/apple-unveils-iphone-13-pro-and-iphone-13-pro-max-more-pro-than-ever-before/ (accessed January 24, 2023); Apple, "Apple introduces iPhone 14 and iPhone 14 Plus," www.apple.com/ca/newsroom/2022/09/apple-introduces-iphone-14-and-iphone-14-plus/ (accessed January 23, 2023).

35. Prepped, "Questions for Employers," RBC Ventures, accessed May 28, 2020, www.fullpreppred.ca/blog.

Glossary

adoption curve
: The sequential diffusion and acceptance of an innovation into the market by consumers.

advergaming
: Placing ads in online or offline video games.

advertising
: Paid form of media used for non-personal communication to consumers about an organization, good, service, or idea.

affiliate marketing
: When companies promote their businesses through a network of online associates (affiliates) to drive traffic, leads, and purchases.

analytics
: The process of taking metrics data and applying smart thinking and technology to gain actionable insights that can help produce better business decisions.

attitude
: Tendency to respond to something in a consistently favourable or unfavourable way.

augmented reality (AR)
: The use of webcams or mobile devices to capture an image that is then supplemented with graphics, audio, video, or GPS data to provide additional information or an enhanced experience (12, 13)

baby boomers
: Generation of people born between 1946 and 1965.

back translation
: Retranslating a word or phrase back into the original language by a different interpreter to catch errors.

banner ads
: Online ads that can stretch across the top of a web page or be formatted in various sizes, such as leaderboards, rectangles, big boxes, and skyscrapers.

behaviouristics
: How and why consumers buy and use a product, including the desired product benefits, how frequently they buy, where they buy, and whether consumers are brand loyal in their purchase behaviour.

beliefs
: Consumer’s perceptions of how a product or brand performs.

big data

Massive amounts of data from traditional and online sources that are used for ongoing analysis.

binge viewing
: Watching complete or partial seasons of TV shows over a few days.

blog
: A website in the form of an online diary that is used by organizations and individuals to post updates that include personal opinions, activities, and experiences, with readers able to subscribe and post comments.

Bluetooth
: Low-power radio waves that are transmitted though beacons and wirelessly transfer text, images, and audio or video data through a local hotspot to Bluetooth-enabled and -activated devices.

brand
: A name, phrase, symbol, or design uniquely given by a company to a product to distinguish it from the competition.

brand development index (BDI)
: An index that shows how well a brand's sales are developed in a region relative to the region's population size.

branded entertainment
: The creation of an entertainment program, such as a TV episode, that is highly focused on a brand in exchange for payment.

brand equity
: The value of a brand that results from the favourable exposure, interactions, associations, and experiences that consumers have with a brand over time.

brand extension
: When new goods or services are introduced under an existing flagship brand name.

brand loyalty
: Favourable attitude toward and consistent purchase of a single brand over time; the degree of target market commitment toward a brand over time that results in varying levels of purchase commitment.

brand personality
: A set of human characteristics associated with a brand.

breadth of product line
: The variety of different items a store carries.

break-even analysis
: Examines the relationship between total revenue and total cost to determine profitability at different levels of output.

brokers
: Independent firms or individuals whose main function is to bring buyers and sellers together to make sales.

business analysis

Financial projections on the impact of bringing the new product to market and selling it in the future.

business market

Products that are purchased either to run a business or to be used as a component in another product or service.

business marketing

Marketing to firms, governments, or nonprofit organizations.

business products

Products that are purchased either to run a business or to be used as a component in another product or service. Also called *industrial goods* or *organizational products.*

business sustainability

The long-term viability of a business related to its financial results, social performance, and environmental impact (1)

buy classes

Three types of organizational buying situations: straight rebuy, modified rebuy, or new buy.

buying centre

Group of people in an organization who participate in the buying process.

causal research

Research designed to identify cause-and-effect relationships among variables.

central business district

The oldest retail setting, the community's downtown area.

channel conflict

Arises when one channel member believes another channel member is engaged in behaviour that prevents it from achieving its goals.

commercialization

When the new product is brought to market with full-scale production, sales, and marketing support.

common short codes (CSC)

Dedicated short messaging codes of typically five to six digits that are used to trigger subscriptions, donations, alerts, or downloads, or to access promotional content.

community shopping centre

Retail location that typically has one primary store and 20 to 40 smaller outlets, serving a population of consumers within a 2- to 5-km drive.

competitive advantages

Those characteristics of a product or service that make it superior to competing substitutes.

competitive forces

Alternative products that can satisfy a specific market's needs.

concept tests

External evaluations of a new product idea, rather than of the actual product itself.

customer behaviour

Actions a person takes when purchasing and using products and services.

consumer market

Goods, services, and ideas that a person can purchase, use, or support for personal use.

consumer products

Products purchased for their personal use by the ultimate consumer.

consumer promotions

Short-term marketing tools used to encourage immediate consumer purchase.

consumer touch points

The points of interaction that can be used to connect with consumers, including personal time in the home, shopping time, workplace situations, social situations, travel time, and even face-to-face product time (12)

content marketing

Creating and sharing expertise, information, or branded content that is designed to inform and engage with tools such as research papers, ebooks, infographics, how-to videos, blogs, webinars, enewsletters, case studies, and events that can readily be found with search engines.

continuous innovations

New products with more than just a minor product improvement, but that do not require radical changes by the consumer.

convenience products

Items purchased frequently that are inexpensive and require minimum risk and shopping effort.

copyrights

Used to legally protect original written works, sound recordings, or forms of communication from being copied by others.

corporate social responsibility (CSR)

When organizations voluntarily consider the well-being of society by taking responsibility for how their businesses impact consumers, customers, suppliers, employees, shareholders, communities, the environment, and society in general.

corporate websites

Websites that provide company and brand information to consumers and the media.

cost per acquisition (CPA)

The cost of acquiring a new follower or sale.

cost per click (CPC)

The cost of getting someone to click on a link or ad.

cost per thousand (CPM)

The cost of reaching 1,000 people.

cross-channel shopper
: An online consumer who researches products online and then purchases them at a retail store.

cross-cultural analysis
: Study of similarities and differences among consumers in two or more societies.

cultural symbols
: Objects, ideas, or processes that represent a particular group of people or society.

culture
: A set of values, ideas, and attitudes that are learned and shared among the members of a group.

Customer Advocacy Funnel
: A communications approach that takes consumers from initial product awareness through to brand advocacy.

customer experience management (CEM)
: Managing customer interactions with the goal of increasing satisfaction and loyalty.

customer lifetime value
: The potential sales that will be generated by a customer if that customer remains loyal to that company for a lifetime.

customer relationship management (CRM)
: The overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction.

customer value proposition
: The unique combination of benefits received by targeted buyers that will satisfy their needs; this includes quality, price, convenience, delivery, and both before-sale and after-sale service.

customs
: Norms and expectations about the way people do things in a specific country or culture.

dashboards
: The visualization of data and key performance indicators using graphs, charts, and numbers so that numerical information tells a story that is insightful and easy to use and understand.

data mining
: The processing of large amounts of data using sophisticated software to find insightful correlations and patterns that lead to better business decisions.

data warehouse
: A central repository of an organization’s electronically stored data.

demand curve

Graph relating quantity sold and price, which shows how many units will be sold at a given price.

demographics
: The statistical data on a population according to characteristics such as gender, age, ethnicity, income, education, and occupation.

depth of product line
: The assortment of products within each product line.

derived demand
: Demand for industrial products and services driven by demand for consumer products and services.

descriptive research
: Research designed to describe basic characteristics of a given population or to clarify its usage and attitudes.

development
: The new product idea is turned into a prototype for further consumer research and manufacturing tests.

digital marketing
: Using digital technology to reach consumers through computers, gaming devices, out-of-home electronic screens, or mobile devices such as smartphones and tablets.

direct competitors
: Similar products sold in the same category.

direct response marketing
: A tool designed to communicate with consumers in a targeted and personalized way using either traditional or online approaches.

discretionary income
: Money that consumers have left after paying taxes and buying necessities.

disintermediation
: Vertical channel conflict that arises when a channel member bypasses another member and sells directly to consumers.

display advertising
: The use of online ads with graphics or animation that are placed on websites.

disposable income
: Balance of income left after paying taxes; income that is used for spending and savings.

Do Not Call List (DNCL)
: Gives customers the ability to elect to not receive telemarketing calls on cellphones and landline phones by registering the numbers of their communication devices.

dual distribution
: Arrangement whereby a firm reaches buyers by using two or more different types of channels for the same basic product.

dumping
: Occurs when a firm sells a product in a foreign country below its domestic prices or below its actual cost.

durable good
: An item that lasts over an extended number of uses.

earned media
: The free publicity secured through unpaid media mentions and consumers who spread the word through word of mouth or the Internet.

economy
: The collective income, expenditures, and resources that affect the cost of running a business or a household.

electronic data interchange (EDI)
: A computer-to-computer exchange of business documents from a retailer to a supplier and back.

electronic or digital marketing channels
: Channels that use the Internet to make goods and services available to consumers or business buyers.

email marketing
: The use of email to market products.

e-marketplaces
: Online trading communities that bring together buyers and supplier organizations.

event marketing
: The creation or involvement of a brand in an experience or occasion that will heighten its awareness, create positive associations, and generate a desired response.

exchange
: The trade of things of value between buyers and sellers so that each benefits.

exclusive distribution
: Only one retail outlet in a specific geographical area carries the firm's products.

experiential marketing
: Creates opportunities for consumers to directly interact with brands.

experiment
: In marketing, changing a variable involved in a customer purchase to find out what happens.

exploratory research
: Preliminary research conducted to clarify the scope and nature of the marketing problem or opportunity.

fad
: Novelty products with very short product life cycles that experience immediate rapid growth, followed by an equally rapid decline.

family brand
: When a company uses a brand name to cover a number of different product categories.

family life cycle
: A family's progression from formation to retirement, with each phase bringing distinct needs and purchasing behaviours.

fashion product
: The life cycle for fashion is relatively short and cyclical, going from introduction to decline within two to three years, only to resurface again a few years later.

feature phone
: Cellphone that is Internet-enabled and that allows for e-mailing, texting, and browsing but cannot download or use apps.

fixed cost
: Firm's expenses that are stable and do not change with the quantity of product that is produced and sold.

fluctuating demand
: Demand for business products and services changes more than demand for consumer products and services.

focus groups
: A qualitative research technique where a small group of people (usually six to ten) meet for a few hours with a trained moderator to discuss predetermined areas.

form of ownership
: Distinguishes retail outlets on the basis of whether individuals, corporate chains, or contractual systems own the outlet.

franchising
: Contractual arrangement in which a parent company (the franchisor) allows an individual or firm (the franchisee) to operate a certain type of business under an established name and according to specific rules set by the franchisor.

Generation X
: People born between 1966 and 1980.

Generation Y
: People born between 1981 and 1996. This generation is also referred to as *Millennials*.

Generation Z
: People born between 1997 and 2012.

generic brand
: A product that has no branding and is produced as a cheap alternative to a manufacturer's brand and to branded private-label products.

geographics

Where a target market lives, using variables such as country, region, province, city size, and population density, such as urban, suburban, or rural.

global brands

Brands that are sold in a variety of international markets and that enjoy wide recognition in these markets.

goals (objectives)

Targets of performance to be achieved within a specific time frame.

good

A product you can touch and own.

greenwashing

The deceptive use of marketing practices to give the impression that a good, service, or organization is environmentally friendly.

grey market

Situations where products are sold through unauthorized channels of distribution. Also known as *parallel importing*.

gross income

Total amount of money made in one year by a person, household, or family unit, before taxes.

harvest

When a company keeps a product but reduces marketing support in an attempt to reap some minor profits.

high-learning product

Significant consumer education is required for these products, which have an extended introductory period.

hybrid apps

Apps that combine the functionality of native apps with the flexibility of web apps.

idea

A concept that typically looks for support.

idea generation

Developing a pool of new product ideas.

idle production capacity

When the supply of a service exceeds its demand.

inbound marketing

When consumers find a product and its messaging by using online techniques that marketers facilitate, including search engine optimization, pay-per-click ads, and the use of social media to connect with consumers.

in-depth interviews

Detailed interviews where a researcher questions an individual at length in a free-flowing conversational style in order to discover information that may help solve a marketing problem.

indirect competitors

Products competing for the same buying dollar in a slightly different but related category.

individual brand

When a company uses a brand name solely for a specific product category.

individualized marketing

One-to-one marketing that involves customizing offers and, in some cases, products to fit individual needs.

inelastic demand

Demand for products does not change because of increases or decreases in price.

inflation

When the cost to produce and buy products and services gets higher as prices rise.

integrated marketing communications (IMC)

A communications approach that coordinates all promotional activities to provide a consistent message to a target audience.

intensive distribution

A firm tries to place its products or services in as many outlets as possible.

intermediaries

Individuals or firms performing a role in the marketing channel, involved in making a product available.

intertype competition

Competition between very dissimilar types of retail outlets.

involvement

Personal, social, and economic significance of a purchase to the consumer.

just-in-time (JIT) inventory system

A system designed to deliver less merchandise on a more frequent basis than traditional inventory systems.

leaderboards

Banner ads that stretch across the top of a web page.

lead generation

The requests for additional information that result from direct response marketing.

learning

Behaviours that result from repeated experience or reasoning.

legacy data

Data that is difficult to use as it has been collected and stored in an obsolete format or system that is no longer compatible with current computer systems and databases (4)

level of service

The degree of service provided to the customer by self-, limited-, and full-service retailers.

line extension

The addition of a new item to an already existing product line.

logistics

Activities that focus on getting the right amount of the right products to the right place at the right time at the lowest possible cost.

low-learning product

Little consumer education is required, resulting in a short introductory stage for the product.

loyalty programs

Programs specifically designed for customer retention.

macroeconomic forces

The state of a country's economy as a whole as indicated by its growth rates, inflation rates, unemployment rates, and consumer confidence indexes.

manufacturers' agents

Work for several producers and carry non-competitive, complementary merchandise in an exclusive territory.

manufacturer's brand

A brand owned and produced by the manufacturer.

market

Potential consumers with both the willingness and the ability to buy.

marketing

The process of planning and managing goods, services, or ideas to meet consumer needs and organizational objectives. It includes the conception of these products and the pricing, promotion, and distribution programs designed to make a profit and generate revenue or support for an organization.

marketing channel

The set of individuals or firms involved in the process of making a product available.

marketing communication agencies

Broad-spectrum integrated agencies or specialist agencies that provide marketers with expertise on how best to communicate messages to their audiences.

marketing communication tools

Advertising, public relations, sales promotion, direct response marketing, event marketing and sponsorship, product placement and branded entertainment, personal selling, online marketing, social media marketing, and mobile marketing.

marketing concept

The idea that an organization should strive to satisfy the needs of consumers while also trying to achieve organizational goals (1)

marketing dashboard

A visual computer display of essential marketing information.

environmental scan

The process of continually acquiring information on events occurring outside an organization to identify trends, opportunities, and threats to a business.

marketing information system (MIS)
: A set of procedures and processes for collecting, sorting, analyzing, and summarizing information on an ongoing basis.

marketing metric
: A measure of the value or trend of a marketing activity or result.

marketing mix
: The 4 Ps—product, price, place, and promotion.

marketing orientation
: Focusing organizational efforts to collect and use information about consumers' needs in order to create customer value.

marketing plan
: Road map for the marketing activities of an organization for a specified future period of time.

marketing process
: The process of (1) identifying consumer needs, (2) managing the marketing mix to meet these needs, and (3)reaching potential consumers or the market.

marketing strategy
: Means by which a marketing goal is to be achieved.

marketing tactics
: Detailed day-to-day operational decisions essential to the overall success of marketing strategies.

market research
: The process of planning, collecting, and analyzing information in order to recommend actions to improve marketing activities.

market segmentation
: The aggregation of prospective buyers into groups that have common needs and respond similarly to marketing programs.

market share
: The percentage of sales volume for a product relative to the entire sales volume of the category in which it competes; ratio of a firm’s sales to the total sales of all firms in the industry.

markup
: The difference between selling price and cost, usually expressed as a percentage of cost.

mass marketing
: Marketing a product with broad appeal to the entire market without any product or marketing differentiation.

matrix 2D barcode
: A two-dimensional response code that, when scanned by a mobile barcode reader or app, provides additional information, launches websites, prompts

downloads, sends text messages, or deploys messages.

m-commerce
: The process of purchasing an item online through a mobile device.

merchandise mix
: How many different types of products a store carries and in what assortment.

merchant wholesalers
: Independently owned firms that take title to the merchandise they handle.

metrics
: Numeric data that are collected and grouped to track performance, often presented in spreadsheets and dashboards.

microeconomic forces
: The supply and demand of goods and services and how this is impacted by individual, household, and company decisions to purchase.

microsites
: Promotional websites created for short-term promotional purposes, often allowing consumers to enter contests and access promotional information.

millennials
: People born between 1981 and 1996. This generation is also referred to as *generation Y*.

minor innovations
: Minor product modifications that require no adjustments on behalf of the consumer.

mission
: Statement of the organization's purpose and direction.

mobile applications (apps)
: Software programs that can be downloaded on a smartphone or tablet to engage consumers with information, entertainment, or interactivity.

mobile check-in services
: When consumers check into locations using apps to post their whereabouts and to receive offers from local merchants on their mobile device.

mobile discovery
: The use of mobile apps to help find local businesses, services, and attractions.

mobile email
: Email sent and/or received using a mobile device.

mobile marketing
: A set of practices that enables organizations to communicate and engage with their audiences in an interactive and relevant manner through any mobile device or network.

mobile messaging
: Comes in the form of common short codes (CSC), short messaging services (SMS), multimedia messaging services (MMS), email messaging, in-person

voice phone calls, and voice messaging.

mobile voice
: Voice messaging left or received using mobile devices (13)

mobile wallets
: Apps that store payment and loyalty information on a mobile device that can then be swiped or tapped at retail (13)

mobile Web
: A website designed for the smaller screens of mobile devices.

monopolistic competition
: Type of competition where a large number of sellers compete with each other, offering customers similar or substitute products.

monopoly
: When only one company sells in a particular market.

motivation
: Energizing force that stimulates behaviour to satisfy a need.

multi-channel marketing
: Blending of different communication and delivery channels that are mutually reinforcing in attracting, retaining, and building relationships with customers.

multichannel retailers
: Use a combination of traditional store formats and non-store formats such as catalogues and online retailing.

multimedia messaging services (MMS)
: Standard text messaging services that include audio, video, or images.

native apps
: Apps downloaded from app stores that are specifically created to be hosted and run on a mobile device.

near field communications (NFC)
: The two-way radio communication between smartphones and smartphone-type devices to transfer images, documents, or monetary transactions when the two devices touch or are within a few inches of each other.

new product development process
: Sequence of steps that a firm takes to develop a new product idea and take it to market.

new product development strategy
: Setting the new product strategic direction for the company as a whole, and the precise objectives for the project at hand.

niche marketing
: Marketing a limited product line to a narrow but profitable segment of the market that is of marginal interest to major competitors.

non-durable good
: An item that does not last and is consumed only once, or for a limited number of times.

nonprobability sampling

Selecting a sample so that the chance of selecting a particular element of a population is either unknown or zero.

North American Industry Classification System (NAICS)

Provides common industry definitions for Canada, Mexico, and the United States.

objectives

Specific, measurable goals.

observational data

Facts and figures obtained by watching how people actually behave, which can be collected by mechanical (including electronic), personal, or neuromarketing methods.

off-price retailing

Selling brand-name merchandise at lower than regular prices.

oligopoly

Type of competition that occurs when a few companies control a market.

omnibus survey

The voluntary participation of respondents in routine research surveys that allow marketers to add a small number of questions to an existing survey to receive cost-effective data.

online behavioural advertising (OBA)

The use of web-based programs to track consumers' online activity so as to deliver ads that correspond to browsing interests.

online research communities

The use of consumer groups, brought together privately in an online environment, to answer questions, respond to ideas, and collaborate with researchers in real time.

opinion leaders

Individuals who have social influence over others.

organizational buyers

Manufacturers, wholesalers, retailers, and government agencies that buy goods and services for their own use or for resale.

organizational buying behaviour

Process by which organizations determine the need for goods and then choose among alternative suppliers.

outbound marketing

Marketers seek out consumers by widely broadcasting messages using advertising, direct mail, e-mail marketing, telemarketing, and personal-selling approaches.

out-of-home (OOH) advertising

Casually referred to as *outdoor;* reaches consumers outside the home in outdoor locations, in transit, or in commercial or business locations.

owned media

The media channels that a company controls, either fully or partially, such as a website, microsite, or social media page that is used to directly communicate with consumers.

paid media
: The media time purchased so that messages can be disseminated through channels that are controlled by others.

panel
: A large sample of respondents that voluntarily complete questionnaires on a regular basis so that researchers can assess changes in behaviour and attitudes.

Pareto's Rule
: The concept that 80 percent of a brand's sales come from 20 percent of its customers.

partnership marketing
: The creation of formal associations between brands that will result in incremental business for both brands that could not have been achieved separately. Also known as *affinity marketing*.

patents
: Used to legally protect new technologies, unique processes, or formulations from usage by other companies.

pay-per-click advertising (PPC)
: Ads that appear in response to keyword triggers on search engines, as well as on some websites, blogs, and social media sites, where the advertiser pays only when the ad is clicked.

perceived risk
: Anxiety felt when a consumer cannot anticipate possible negative outcomes of a purchase.

perception
: Process by which someone selects, organizes, and interprets information to create a meaningful picture of the world.

perfect competition
: Type of competition where there are many sellers with nearly identical products and little differentiation.

perishability
: When products cannot be stored for long periods of time to use at a later date (7)

permission-based email
: When a recipient chooses to receive email from a marketer.

personality
: A person's character traits that influence behavioural responses.

personal selling
: The two-way flow of communication between a buyer and seller, often face-to-face or facilitated through communication devices, to influence an

individual and group purchase decision.

personas
: Character descriptions of a typical customer in the form of fictional character narratives, complete with images that capture the personalities, values, attitudes, beliefs, demographics, and expected interactions with a brand.

place
: Distribution channels, retail formats, and merchandising used to sell a product.

positioning maps
: Visual representations of how products in a category are positioned in consumers' minds; also known as *perceptual maps*.

positioning statement
: A formalized statement that identifies the image a branded product represents in the market and what sets it apart from the competition.

power centre
: Large shopping strip with multiple anchor stores, a convenient location, and a supermarket.

predictive analytics
: The combination of data from varied sources to reveal patterns that are modelled to predict *what might happen* in the future.

pre-roll video advertising
: The use of TV-type ads that play before video segments are watched online (12)

press conference
: A planned event where representatives of the media are invited to an informational meeting with the company.

press release
: An announcement written by an organization and sent to the media.

price
: What is exchanged for a product, including theexpected regular retail or sale price.

pricing constraints
: Factors that limit the range of prices a firm may set.

pricing objectives
: Expectations that specify the role of price in an organization's marketing and strategic plans.

primary data
: Data that is original and specifically collected for a project.

private-label brand
: Otherwise known as a store brand, a brand owned by a retailer that contracts its manufacturing to major suppliers, and then sells the product at its own retail stores, under its own store-brand name.

probability sampling

Selecting a sample so that each element of a population has a specific known chance of being selected.

product

Attributes that make up a good, a service, or an idea, including product design, features, colour, packaging, warranty, and service levels.

product depth

The assortment of products within each product line. (7)

product differentiation

Positioning a product to a target group so that it appears distinct from competitive offerings.

production orientation

Focusing organizational efforts on the manufacture of goods.

product life cycle

The stages that a new product goes through, starting with introduction and evolving into growth, maturity, and decline.

product line

A group of similar products that are closely related because they satisfy a similar need and are directed at the same general target market.

product mix

All the product lines marketed by a company.

product placement

The inclusion of a product in a movie or TV program in return for payment.

product positioning

The impression of the product you want to establish in consumers' minds relative to their needs and the competition.

product mix width

The number of different product lines offered by a company.

profit

The excess of revenues over costs, the reward to a business for the risk it undertakes in offering a product for sale.

profit equation

Profit = total revenue – total cost.

promotion

Communication tools needed to inform customers about a product, including advertising, public relations, sales promotion, direct response, event marketing, sponsorship, online approaches, and personal selling.

promotional mix

The selection of promotional tools used to communicate with a target market.

promotional partnerships

Simple short-term promotional offers between brands (1)

proximity marketing

The distribution of marketing content to mobile devices that have opted in at a particular local geo-location to receive information.

psychographics

Understanding consumers' lives, values, personalities, general interests, opinions, and activities.

publicity

A non-personal form of communication that appears in the media and is not paid for directly by the organization.

public relations

A communications tool that seeks to influence the opinions and attitudes of target groups through the use of unpaid media exposure; targets the media in an attempt to generate positive publicity for a company, product, or individual.

pull strategy

When marketers focus communication efforts on ultimate consumers to build awareness, trial, and demand for a product.

purchase decision process

Stages that a buyer passes through when making choices about which products or services to buy.

push strategy

When marketers focus communication on the distribution channel to gain support from retailers, distributors, and wholesalers.

qualitative research

A form of research that uses approaches such as focus groups, in-depth interviews, online communities, online bulletin boards, and social listening to provide insightful and directional information.

quantitative research

Statistically reliable information that uses observational and/or questioning techniques such as observations, surveys, and experiments.

questionnaire data

Facts and figures obtained by asking people about askingpeople about their attitudes, awareness, intentions, and behaviours.

radical innovations

New products that involve the introduction of a product that is entirely new and innovative to the market.

radio frequency identification (RFID) tags

The use of physical tags on products so that its radio signals can interact with an electronic device to provide information in the form of text, images, or video (13)

real-time marketing

A planned tactical approach where brands make themselves relevant online during events or newsworthy occurrences by diving into conversations as

they occur with aligned short-term messaging that takes advantage of the current buzz.

recession
: A time of slow economic activity with two consecutive periods of negative growth.

reference group
: A group of people who influence a person's attitudes, values, and behaviour.

regional shopping centres
: Consist of 50 to 150 stores that typically attract customers who live within a 5- to 15-km range; often containing two or three anchor stores.

regulations
: Restrictions placed on marketing practices by government and industry associations.

relationship marketing
: When organizations create long-term links with customers, employees, suppliers, and other partners to increase loyalty and customer retention.

relationship selling
: The practice of building long-term loyalty from customers based on a salesperson's attention and commitment to customer needs over time (12)

repositioning
: Changing the place a product occupies in consumers' minds relative to competitive products to more accurately meet consumer needs.

retailing
: All activities involved in selling, renting, and providing goods and services to ultimate consumers for personal, family, or household use.

retailing mix
: The goods and services, pricing, physical distribution, and communications tactics chosen by a store.

retargeted ads
: Display ads that ad networks redirect to a computer's IP address when a consumer previously clicked on an ad but did not respond to its contents (12)

reverse auction
: Occurs when a buyer communicates a need for something and would-be suppliers bid in competition with one another.

RFM analysis
: The rating of customers on the basis of how recently products were purchased (recency), how often products were purchased (frequency), and the dollar value of the transactions (monetary value).

sales orientation
: Focusing organizational efforts on selling as many products as possible.

sales promotion
: A communications tool that provides short-term incentives to generate interest in a product or cause and encourages purchase or support.

sampling
: The process of gathering data from a subset of the total population rather than from all members of that particular group.

scrambled merchandising
: Offering several unrelated product lines in a single retail store.

screening and evaluation
: Reduces the list of ideas down to a list of promising concepts.

search engine marketing (SEM)
: Refers to a paid form of advertising that emerges after a search engine query.

search engine optimization (SEO)
: Ensuring that websites are written, indexed, and coded so that they are highly rated and ranked by the search engines.

secondary data
: Facts and figures that have already been recorded by a third party.

segment marketing
: Marketing a range of different products and brands to specifically meet the needs of an organization's varied target markets (6)

selective distribution
: A firm selects a few retail outlets in a specific geographical area to carry its products.

selling agents
: Represent a single producer and are responsible for the entire marketing function of that producer.

semi-structured data
: A hybrid data format that consists of structured and unstructured data (4)

service
: A product that is intangible; an activity, benefit, or satisfaction that you cannot touch.

service continuum
: A range from tangible goods to intangible services.

share of wallet
: The percentage of a customer's purchases that a company has in a specific product category.

shopping products
: Items that require comparison shopping between different brands and an investment of shopping time.

short messaging services (SMS)
: Standard text messaging that uses protocols of 160 characters per message.

showrooming
: Using mobile devices in-store to check online competitive product reviews and prices, which results in the online purchase of a cheaper product.

shrinkage

Breakage and theft of merchandise by customers and employees.

situation analysis
: Taking stock of a firm's or product's past performance, where it is now, and where it is headed.

skyscrapers
: Banner ads that are tall, slim, and vertical and appear along the side of a web page.

smartphone
: An advanced cellphone that has similar functionality to a personal computer in addition to taking pictures, playing music and movies, navigating with GPS, and using apps to enhance its features and capabilities.

social listening
: Research that monitors public online consumer conversations on social media sites such as social networks, blogs, and forums.

social media
: A form of online media that allows members to create their own network of friends and contacts to share comments, articles, opinions, videos, and images as a form of self-expression.

social media analytics
: The real-time measurement, interaction, and analysis of social media to assess social media campaign performance, message resonation and amplification, consumer sentiment, and common themes.

social media marketing
: Reaching out to consumers online through social media networks.

social media monitoring
: The monitoring of brand mentions, as well as consumer sentiment, buzz, and engagement, on the Internet.

social media release
: A multimedia, online press-release platform that includes video, text, and images, as well as social media buttons for sharing on social networks and comment areas where viewers can leave comments.

social networks
: Online websites that allow members to create a network of friends and contacts to share messages, comments, videos, and images as a form of self-expression.

social TV
: Watching TV programming while adding comments on social networks.

societal marketing concept
: Marketing programs that focus on the consumer *and* the well-being of society.

socio-cultural forces
: Cultural values, ideas, and attitudes, as well as society's morals and beliefs.

spam

The dissemination of unsolicited electronic messages to recipients.

specialty products

Items for special occasions that require a specific product or brand and require considerable time and effort to purchase.

sponsorship

When an advertiser pays a fee in exchange for inclusion in an event, involvement in its advertising opportunities, or exposure within the event itself.

strategic alliance

Long-term arrangement between companies with similar values and marketing objectives that extends beyond short-term promotional offers into long-term formal business agreements.

strategic marketing process

Approach whereby an organization allocates its marketing mix.

strategy

An organization's long-term course of action that delivers a unique customer experience while achieving its goals.

strip location

A cluster of stores serving people who live within a 5- to 10-minute drive.

structured data

Data that can be easily tagged, stored, and searched in a database using consistently identifiable terms that are systematically organized into columns, rows, and tables.

sub-brand

A brand that uses the family brand name as well as its own brand name and identity so that it can take on the strengths of the parent brand but also differentiate itself.

subcultures

Subgroups within a larger culture that have unique values, ideas, and attitudes.

supply chain

Sequence of firms that perform activities required to create and deliver a product to consumers or industrial users.

supply chain management

Integration and organization of information and logistics activities across firms in a supply chain for the purpose of creating and delivering goods and services that provide value to consumers.

supply partnership

Relationship between a buyer and supplier that adopts mutually beneficial objectives, policies, and procedures.

SWOT analysis

The assessment of how well an organization or brand is servicing its businesses and target markets by evaluating its internal strengths and

weaknesses, andits external opportunities and threats.

target market
: The specific group or segment(s) of existing and potential consumers to which marketers direct their marketing efforts.

target market profile
: A description of the target market that contains specific information about the target group in four areas: geographics, demographics, psychographics, and behaviouristics.

technological forces
: Inventions from science or engineering research.

telemarketing
: Using the telephone to interact with and sell directly to consumers.

test market
: An in-market localized approach, or short-term online destination, used to test the success of promotional offers, new services, or new-product launches.

test marketing
: Offering a new product for sale on a limited basis in a defined geographic area to assess its success.

total cost
: Total expenses incurred by a firm in producing and marketing a product; total cost is the sum of fixed cost and variable costs.

total revenue
: Total money received from the sale of a product.

touch point
: Any situation in which a customer comes into contact with a brand or company.

trademarks
: Used by people or organizations to protect brand images, names, slogans, and designs from usage by others.

trade promotions
: Short-term promotional tools used to generate support with wholesalers, distributors, or retailers.

traditional auction
: Occurs when a seller puts an item up for sale and would-be buyers bid in competition with each other.

traffic generation
: The visits to a location or website that result from direct response marketing.

unsought products
: Unknown items or those of no interest to the purchaser.

unstructured data
: Data that comes from word-processed documents, presentations, audio files, images, video, and e-mail or social media messages that cannot be easily

categorized and tagged in a database using fixed terms and definitions.

user-generated content (UGC)
: Original online content that has been created by users in the form of blogs, posts, images, audio, or video.

value
: The ratio of perceived benefits to price.

values
: Socially preferable modes of conduct or states of existence that tend to persist over time (3)

variable cost
: Sum of the expenses of the firm that vary directly with the quantity of products that is produced and sold.

vertical marketing systems
: Professionally managed and centrally coordinated marketing channels designed to achieve channel economies and maximum marketing impact.

virtual services
: Services that exist only online and have no person-to-person interaction.

web analytics
: The measurement and analysis of website data, looking at elements such as page views, time on site, bounce rate, new visitors, returning visitors, and referral traffic.

mobile Web apps
: Websites designed to simulate an app experience by adding a shortcut that runs off a browser on a mobile device.

wiki
: A collaborative website that uses an application with which multiple users can create, add, edit, or delete content.

word of mouth
: People influencing each other in personal conversations.

word-of-mouth marketing
: The spread of positive messages about a product by listening to consumers, identifying influential individuals that can spread the word, and making it easier for them to do so.

database marketing
: The use of databases to customize communications to customers and potential customers for the purpose of promoting a product or service.

gross domestic product (GDP)
: The total dollar value of all goods and services produced in a country within a specified time period.

interest rates
: The amount charged as a fee for borrowing money, normally expressed as a percentage per year.

key performance indicators (KPIs)

Types of metric that are used to evaluate performance.

descriptive analytics

Atype of analytics that focuses on *whathas happened*.

social analytics

The real-time measurement, interaction, and analysis of social media to assess social media campaign performance, message resonation and amplification, consumer sentiment, and common themes.

need

Occurs when a person feels deprived of basic necessities.

want

A need that is shaped by a person's knowledge, culture, and personality.

delete

When a company discontinues a product.

product

a good, a service, or an idea consisting of tangible and intangible features

core product

The fundamental benefit that a consumer derives from having the product.

actual product

The physical good or the services that a customer purchases.

product line length

The total number of products or brands in a product line.

transactional websites

Electronic storefronts focused on converting an online browser into an online buyer.

promotional websites

Focus on showcasing products and services.

reach

The number of people who are exposed to a communication vehicle or message; is presented as a percentage of the total number of people in a target audience.

frequency

The number of times the target audience is exposed to the communication vehicle or the communication message.

touch points

Any situation in which a customer comes into contact with a brand or company.

in-stream advertising

The use of video ads that play before (pre-roll), during (mid-roll), or after (post-roll) video segments are watched online.

vlog

A blog posted in video format.

social media monitoring

The monitoring of brand mentions, consumer sentiment, buzz, and engagement on the Internet.

engagement metrics

Measures how much and how often consumers interact with social media content.

performance metrics

data that can point to adjustments or changes that should be made to your social media program

optimization metrics

Data that can point to adjustments or changes that should be made to your social media program.

push notifications

Any content sent to a mobile device that a customer must opt in to receive from a marketer.

geofencing

Uses global positioningsystem (GPS) to trigger an event to happen when a device enters a certain geographic area.

Wi-Fi hotspots

Areas set up with free Internet access. Once customers log in to use the free Wi-Fi, they can be sent location-specific content.

wearables

Devices that can be worn on the body or on clothes.

augmented product

The additional features and attributes that accompany a product.

product line depth

The assortment of different versions of each product sold within its product lines.

unemployment rate

Measures the share of the labour force that is not working.

co-branding

When two brands work together on a new product or service.

reverse logistics

A process of reclaiming recyclable and reusable materials, returns, and reworks from the point of consumption or use for repair, remanufacturing, redistribution, or disposal.

adaptive selling

A need-satisfaction presentation format that involves adjusting the presentation to fit the selling situation, such as knowing when to offer solutions and when to ask for more information.

marketing research

The process of defining a marketing problem and opportunity, systematically collecting and analyzing information, and recommending actions.

Internet of Things (IoT)

The network of products embedded with connectivity-enabled electronics.

measures of success

Criteria or standards used in evaluating proposed solutions to the problem.

data

The facts and figures related to the project that are divided into two main parts: secondary data and primary data.

information technology

Includes all of the computing resources that collect, store, and analyze data.

predictive modelling

Based on statistical models that use data mining and probability analysis to foretell outcomes.

influencer marketing

The practice of focusing on the identification and recruitment of influencers to advocate for a company’s products, services, and brands rather than focusing exclusively on prospective buyers.

customer journey map

A visual representation of all the touchpoints a customer comes into contact with before, during, and after a purchase.

customer touchpoints

A marketer's product, service, or brand points of contact with a customer from start to finish in the purchase decision process.

social forces

The demographic characteristics of the population and its culture.

binge watching

Watching two or more episodes of a TV show in one sitting .

cord cutters

People who decide to cancel cable or satellite TV and focus on online viewing.

listing fees

Price needed to be paid to place your product on a retailer's shelf or ecommerce platform.

price skimming

Pricing strategy where a company charges a high price initially and lowers the price over time.

constraints

In a decision, the restrictions placed on potential solutions to a problem.

sales forecast

The total number of a product that a firm expects to sell during a specified time period under specified environmental conditions and its own marketing efforts.

above-, at-, or below-market pricing

Setting a market price for a product or product class based on a subjective feel for the competitor's price or market price as the benchmark.

barter
: The practice of exchanging products and services for other products and services rather than for money.

skimming pricing
: Setting the highest initial price that customers really desiring the product are willing to pay when introducing a new or innovative product.

bundle pricing
: The marketing of two or more products in a single package price.

cost-plus pricing
: Summing the total unit cost of providing a product or service and adding a specific amount to the cost to arrive at a price.

customary pricing
: Setting a price that is dictated by tradition, a standardized channel of distribution, or other competitive factors.

loss-leader pricing
: Deliberately selling a product below its customary price, not to increase sales, but to attract customers' attention to it in hopes that they will buy other products with large markups as well.

odd–even pricing
: Setting prices a few dollars or cents under an even number.

penetration pricing
: Setting a low initial price on a new product to appeal immediately to the mass market.

prestige pricing
: Setting a high price so that quality- or status-conscious consumers will be attracted to the product and buy it.

value pricing
: The practice of simultaneously increasing product and service benefits while maintaining or decreasing price.

standard markup pricing
: Adding a fixed percentage to the cost of all items in a specific product class.

target profit pricing
: Setting an annual target of a specific dollar volume of profit.

target return-on-investment pricing
: Setting a price to achieve an annual target return on investment (ROI).

target return-on-sales pricing
: Setting a price to achieve a profit that is a specified percentage of the sales volume.

Mobile advertising
: Refers to any advertising that is viewed on a mobile device such as a smartphone or a tablet.

voluntary chain

A voluntary group or chain of retailers linked to the wholesale supplier and working together to achieve economies of scale in business practices including, but not limited to purchasing, and advertising.